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11 **UNITED STATES DISTRICT COURT**  
12 **EASTERN DISTRICT OF MICHIGAN**  
13

14 DANA NESSEL, Attorney General of the  
15 State of Michigan, *ex rel.* THE PEOPLE OF  
16 THE STATE OF MICHIGAN,

17 Plaintiff,

18 v.

19 ROKU, INC.,

20 Defendant.  
21  
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28

CASE NO.

**COMPLAINT**

JURY TRIAL DEMANDED

1 Attorney General Dana Nessel, on behalf of The People of the State of Michigan,  
2 alleges as follows:

3 **INTRODUCTION**

4 1. Roku has quietly embedded itself in American life. Roku is the number one  
5 television content platform in the United States, used by nearly half of American households. It  
6 delivers streaming services, ad-supported programming, and live television to millions of Michigan  
7 homes. Roku uses this privileged position in American life to collect and monetize an immense  
8 amount of data and personal information about its users.

9 2. Many of those users are children. Roku attracts children to its platform with a  
10 seemingly endless supply of children's programming. Children watch Roku's programming from  
11 their household televisions or, in many cases, from a personal tablet or mobile device. Despite  
12 public assurances to the contrary, Roku systematically collects and processes, and allows third  
13 parties to collect and process, children's personal information—including their voice recordings,  
14 location data, IP addresses, and browsing histories.

15 3. Roku has designed its platform to ensure that it collects children's data and that third  
16 parties can do the same. Unlike its competitors, Roku does not offer parents the option to create  
17 children's profiles. This ensures that parents and children browse the same Roku platform and are  
18 subject to the same invasive data collection practices on many parts of the platform. Moreover,  
19 Roku permits third parties to collect and monetize the personal information of children through its  
20 platform. Roku's lax data privacy standards attract children's content providers, drive traffic to the  
21 Roku platform, and increase Roku's advertising revenue. Finally, Roku enhances this collection and  
22 monetization of children's personal information through partnerships with third-party web trackers  
23 and data brokers. These partners include multiple data brokers who have been sued by the FTC for  
24 using mobile devices to systematically track individuals' precise locations throughout the day.

25 4. The Children's Online Privacy Protection Act (COPPA), 15 U.S.C. § 6501 *et seq.*,  
26 requires Roku to provide notice to parents regarding the data it collects from children and to obtain  
27  
28

1 parental consent before collecting that data.<sup>1</sup> Yet Roku systematically collects personal information  
 2 from children without providing this required notice or obtaining parental consent. COPPA also  
 3 places strict limits on Roku’s collection of children’s voice data—limits Roku ignores. At the same  
 4 time, in public statements and privacy disclosures, Roku actively misleads parents about its  
 5 collection of their children’s personal information, and it sows confusion about parents’ rights to  
 6 protect their children’s personal information.

7 5. Roku’s misconduct extends beyond child users. Roku discloses to third parties the  
 8 video content its users watch along with those users’ personally identifiable information, violating  
 9 longstanding state and federal laws designed to ensure the privacy of this information. Roku also  
 10 offers its users the ability to enable privacy settings that do not have the effect described by the  
 11 settings, giving users false comfort that their privacy is being protected.

12 6. Attorney General Dana Nessel brings this action to put a stop to Roku’s illegal data  
 13 collection and disclosure practices, to require Roku to comply with federal and state law, and to  
 14 recover damages, restitution, and civil penalties for Roku’s years of misconduct.

#### 15 **PLAINTIFF**

16 7. Plaintiff is Attorney General Dana Nessel, on behalf of The People of the State of  
 17 Michigan.

18 8. Attorney General Nessel maintains her principal office at 525 W. Ottawa Street,  
 19 Lansing, Michigan 48933.

#### 20 **DEFENDANT**

21 9. Defendant Roku, Inc., is a Delaware corporation headquartered in San Jose,  
 22 California.

23  
 24  
 25 <sup>1</sup> COPPA makes it “unlawful for an operator of a website or online service directed to children, or any operator that has  
 26 actual knowledge that it is collecting personal information from a child, to collect personal information from a child in a  
 27 manner that violates the regulations prescribed” by the FTC. 15 U.S.C. § 6502(a)(1). Consistent with this statutory  
 28 direction, FTC regulations provide the specific requirements for websites and online services to comply with COPPA.  
 16 C.F.R. § 312. These requirements include that an “operator” of an online service such as Roku must “[p]rovide  
 notice on the Web site or online service of what information it collects from children, how it uses such information, and  
 its disclosure practices for such information,” and must “[o]btain verifiable parental consent prior to any collection, use,  
 and/or disclosure of personal information from children.” *Id.* § 312.3(a)-(b).

**JURISDICTION**

10. This Court has subject matter jurisdiction under 28 U.S.C. § 1331, 28 U.S.C. § 1367, and 15 U.S.C. § 6504.

11. This Court has personal jurisdiction over Defendant because Defendant may be found in and transacts significant business in Michigan and in this District. 15 U.S.C. § 6504. Plaintiff's claims arise out of Defendant's activities in Michigan and in this District.

12. Venue is proper in this District under 28 U.S.C. § 1391 and 15 U.S.C. § 6504.

**NATURE OF THE ACTION**

**I. Overview of Roku's Business**

13. Roku is a television content platform. It provides a single landing page from which users can access streaming services, internet content, ad-supported programming, and live television. Roku also offers its own programming through an ad-supported streaming service called "The Roku Channel," which is available on all Roku-connected devices.

14. To access the Roku platform, users can purchase a low-cost device, such as a streaming stick, that connects to their television. Roku's platform is also increasingly built into televisions themselves through the Roku operating system (Roku OS). Roku has broadly licensed Roku OS to major television manufacturers such as RCA, Philips, Hisense, and Walmart's Onn brand. As a result, Roku OS is now the number one smart TV operating system in the United States. Any TV with the Roku operating system runs the Roku platform by default. In 2023, Roku also began selling its own smart TVs with the Roku platform built in.

15. Roku has expanded beyond televisions as well. Users with Roku accounts can access Roku content from a computer, tablet, or mobile device. And Roku now sells smart home devices such as video doorbells and home monitoring systems that users access and operate through the Roku platform.

16. Roku's multi-pronged strategy to integrate itself into the American home has been a success. As of 2023, Roku was in approximately half of American internet-connected households. Meanwhile, Roku earned approximately \$3 billion from its platform in 2023 at a nearly 50% profit

margin, with most of that revenue coming from advertising.<sup>2</sup> Roku’s revenue continued to grow into 2024, along with its platform usage. At the start of 2024, Roku reported that streaming hours per household had grown to 4.2 hours per day.<sup>3</sup> Few, if any, large technology companies have comparable access to the personal information of Michigan families, and few monetize that information as aggressively.

## II. Types of Programming Available on Roku

17. By purchasing Roku-enabled hardware, users gain access to a variety of programming. First, Roku offers all of its users access to The Roku Channel—an ad-supported streaming service with a wide range of programming, including original programming and live TV. The Roku Channel is among the most popular streaming services in the United States. Its audience engagement hours are comparable to leading paid streaming services Max and Peacock. In addition to its own programming, Roku resells ad-free premium streaming subscriptions through The Roku Channel.<sup>4</sup>

18. By purchasing Roku hardware, users gain access to a wide variety of third-party content and programming sources, which Roku has variously called “channels,” “streaming channels,” or “apps.” For clarity, this complaint uses the term “channels” (or “third-party channels”) to refer to all of these sources of third-party content. Roku users can download and access channels at a variety of locations on the platform, including pages entitled “Streaming Store,” “Apps,” “What to Watch,” and “Featured Free.” Some or all of this content was also previously available in a location entitled the “Channel Store” on Roku, as well as a page entitled the “Roku Store.” For ease of reference, this complaint collectively refers to the pages where users can currently or have in the past been able to download and access channels on Roku as Roku’s “Channel Store.”

<sup>2</sup> Adam Levy, “People Think Roku Makes Money Selling Streaming Sticks and Smart TVs, but 86% of Its Revenue Comes From Something Else Entirely,” Nasdaq (Jan. 16, 2024), <https://www.nasdaq.com/articles/people-think-roku-makes-money-selling-streaming-sticks-and-smart-tvs-but-86-of-its-revenue>.

<sup>3</sup> Roku, Q1 2024 Shareholder Letter (Apr. 25, 2024), <https://image.roku.com/c3VwcG9ydC1B/1Q24-Shareholder-Letter-Final.pdf>.

<sup>4</sup> Roku 2020 SEC Form 10-K at 60 (In January 2019, Roku “launched Premium Subscriptions within The Roku Channel, through which we resell ad-free premium content subscription services from providers such as Showtime, Starz, and Epix.”).

1           19. Roku’s Channel Store includes an enormous variety of channels, ranging from *Dog*  
2 *Viral Videos* to a channel that airs only *The Beverly Hillbillies*. Smaller channels typically earn  
3 revenue through ads, while larger channels may be available only with a subscription. Subscriptions  
4 may be purchased from within the Roku platform in some cases. Many Roku customers also use the  
5 platform as a landing page to access larger streaming services, such as Netflix or Disney+, for  
6 which they purchased subscriptions outside of the Roku platform.

7           20. Finally, Roku offers users the ability to rent and purchase particular video content  
8 titles as well. Roku previously operated the “Roku Movie and TV Store”—a page that, until  
9 November 2022, was present on the Roku platform Home page.<sup>5</sup> Since November 2022, Roku has  
10 sold and rented movies and TV shows in partnership with Vudu, now rebranded Fandango at Home.  
11 Roku has described Vudu as its “official” movie and TV store.

### 12 **III. Children’s Programming on Roku**

13           21. The Roku Channel offers children’s programming under the label “Kids and Family  
14 on The Roku Channel.” Much of the content is sourced from successful children’s YouTube  
15 channels, such as *Ryan’s World*, *Like Nastya*, and *CoComelon*. *Ryan’s World* is the channel of child  
16 YouTube celebrity Ryan Kaji, famous for his toy unboxings, and is one of the top ten most-viewed  
17 YouTube channels in the United States. *Like Nastya* is the channel of 11-year-old Russian YouTube  
18 celebrity Anastasia Radzinskaya, whose content includes children’s songs and toy unboxings. The  
19 channel is among the top ten most-viewed YouTube channels in the world. *CoComelon* is an  
20 animated program with songs and nursery rhymes targeted to children ages 1-3 years old. It is the  
21 second-most viewed YouTube channel in the world.

22           22. The Roku Channel organizes its children’s content into age-specific categories that  
23 are presented to consumers: Ages 1-3 (which includes *Teletubbies*), Ages 4-6 (which includes *Baby*  
24 *Shark & More Nursery Rhymes*), Ages 7-9 (which includes *Ninja Kidz TV*), and Ages 10+ (which  
25 includes *Pokémon Quest*).  
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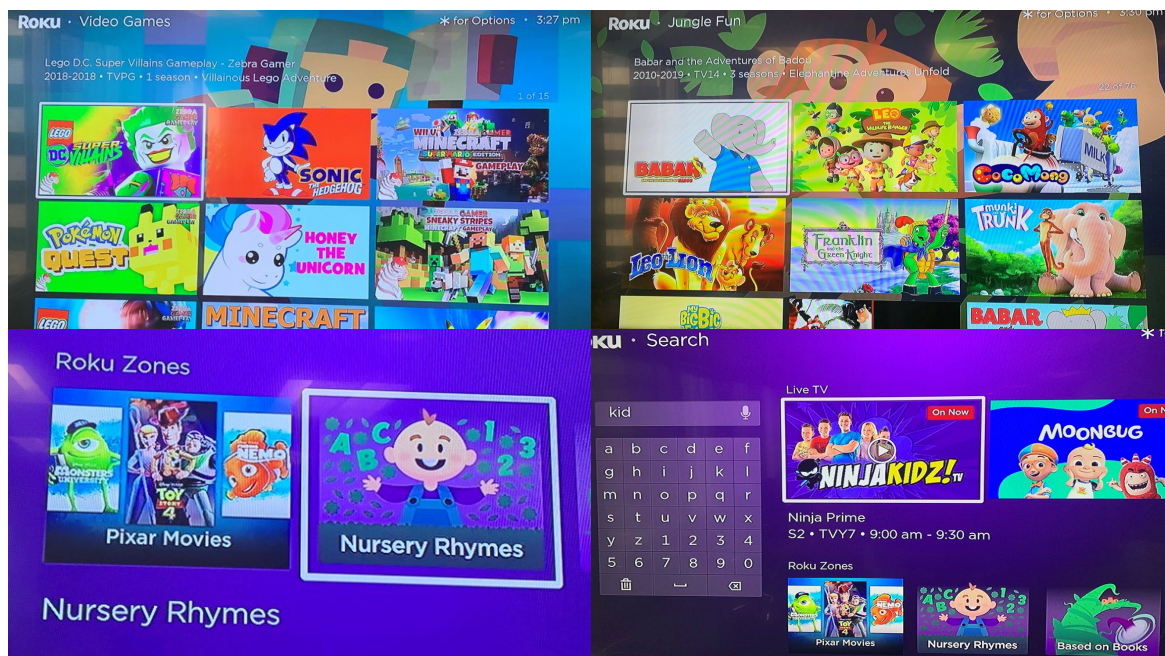
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<sup>5</sup> Roku, Roku Support, “How to use the Movie Store,” <https://support.roku.com/article/208756538>.



23. While users can access children's content on The Roku Channel by navigating to the section entitled "Kids and Family on The Roku Channel," children also frequently access this children's content from Roku's other platform pages. For instance, the Roku platform's Home page, Search page, Featured Free page, and What to Watch page all present users with direct links to children's content from Kids and Family on The Roku Channel. One way Roku organizes children's content within these platform pages is to present them in child-directed sections with titles such as "Animated Adventures" and "Popular Free Kids Movies and TV Shows."

24. Roku also aggregates content in sections it calls "Roku Zones." As shown below, many of these Zones are Roku-curated selections of children's programming and games, displayed on playful, animated backgrounds. Roku Zones are presented to users on Roku platform pages and also populate when users search for child-directed content. As shown on the bottom-right image below, a search for "kid" on the Roku platform results in Roku Zone suggestions including "Pixar Movies" and "Nursery Rhymes." Other child-directed Roku Zones include "Video Games" and "Jungle Fun." There are thus a variety of ways for children to access children's content available on The Roku Channel without first navigating to Kids and Family on The Roku Channel.



25. Roku also delivers child-directed content through a wide variety of third-party channels that offer programming and games. Many of these channels are accessible in Roku's Channel Store under the heading "Kids & Family" and include some of the same content available on The Roku Channel. This third-party content includes:

- *HappyKids Girls*, which offers "Hours of FREE, SAFE, FUN, and EDUCATIONAL videos for girls," and games "carefully chosen to be fun and safe for girls, with no bad language or scary stuff!"
- *Ninja Kidz TV* ("Aimed at kids aged 6 and up, Ninja Kidz TV delivers action-packed entertainment that promises to keep you on the edge of your seat.").
- *Stunt Racer*, a child-directed cartoon racing game.

26. As with children's content on The Roku Channel, this third-party content is also accessible from main Roku platform pages, including the Home page, Search page, Featured Free page, What to Watch page, and the Kids & Family section of the Roku Channel Store. And Roku frequently organizes children's programming within these particular sections under headers such as "Animated Adventures" and "Popular Free Kids Movies and TV Shows." Roku also pins downloaded channels, including children's channels, to the Roku Home page, further ensuring that children frequently access third-party content, as well as content from Kids and Family on The Roku Channel, from the Roku Home page.

27. Roku knows that a significant portion of its userbase comprises children. Roku advertises Kids and Family on The Roku Channel as containing "10,000+ FREE kids' shows and movies."<sup>6</sup> And throughout its history, Roku has marketed its service as a service for children. For instance, in a 2018 blog post on Roku.com, Roku employee Bill Wilson wrote:

Do your little ones want to watch the same TV show *again and again*? If your kids' viewing habits are anything like mine, these 12 free Roku channels will be a welcome change to the same free movies or shows over, and over, and over . . . [.] Did we miss any of your children's favorite Roku channels? Let us know in the comments below!<sup>[7]</sup>

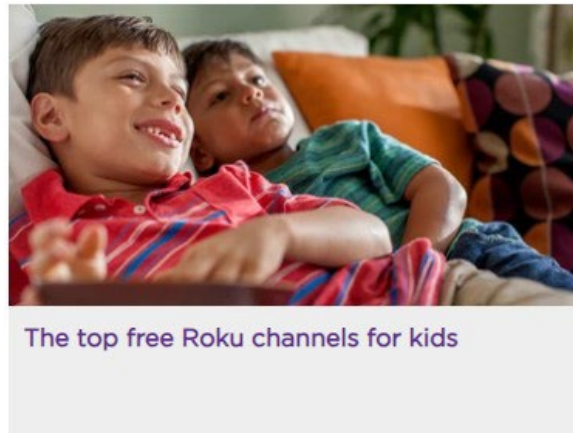
<sup>6</sup> Roku, Roku Channel Store, Kids & Family on The Roku Channel, <https://channelstore.roku.com/details/e0e68b19786946868d9c905fc152e141/kids-and-family-on-the-roku-channel>.

<sup>7</sup> Roku, Bill Wilson, "12 free kids Roku channels" (2018), <https://www.roku.com/blog/free-kids-roku-channels>.



The underlined text in Wilson’s blog post was a direct link to the Kids & Family section of the Roku Channel Store. Below are quotations and a photo from blog posts by Roku employees extolling the company’s robust offerings of child-directed content, including on third-party channels:

- Are your kiddos out of school this week? All those fun outdoor Spring Break activities are sure to tire them out...and will absolutely tire you out. So, for those much needed breaks on the couch – the free Roku channels on your Roku player or Roku TV to the rescue!<sup>[8]</sup>
- All your preschoolers’ favorite entertaining and educational TV shows are here! Today the popular NOGGIN service is available on Roku players and Roku TV models in the U.S.<sup>[9]</sup>
- NOGGIN . . . offers an ad-free experience featuring hundreds of iconic, full-length episodes, short-form videos, educational content, music videos featuring preschoolers’ favorite Nickelodeon characters, and more, with new content added weekly.<sup>[10]</sup>



- Channels such as Kartoan.TV and Cartoon Club give your children access to some of the best cartoons of all time, from Looney Toons and Betty Boop to Casper and Popeye.<sup>[11]</sup>
- There are a whole host of games available to keep your children entertained. From Mini Golf to Tetris and even the selection of karaoke channels found

<sup>8</sup> Roku, Melissa Morell, “The top free Roku channels for kids” (2016), <https://www.roku.com/blog/top-free-roku-channels-kids>.

<sup>9</sup> Roku, VP Ed Lee, “NOGGIN now streaming on the Roku platform” (2016), <https://www.roku.com/blog/noggin-now-available-on-the-roku-platform>.

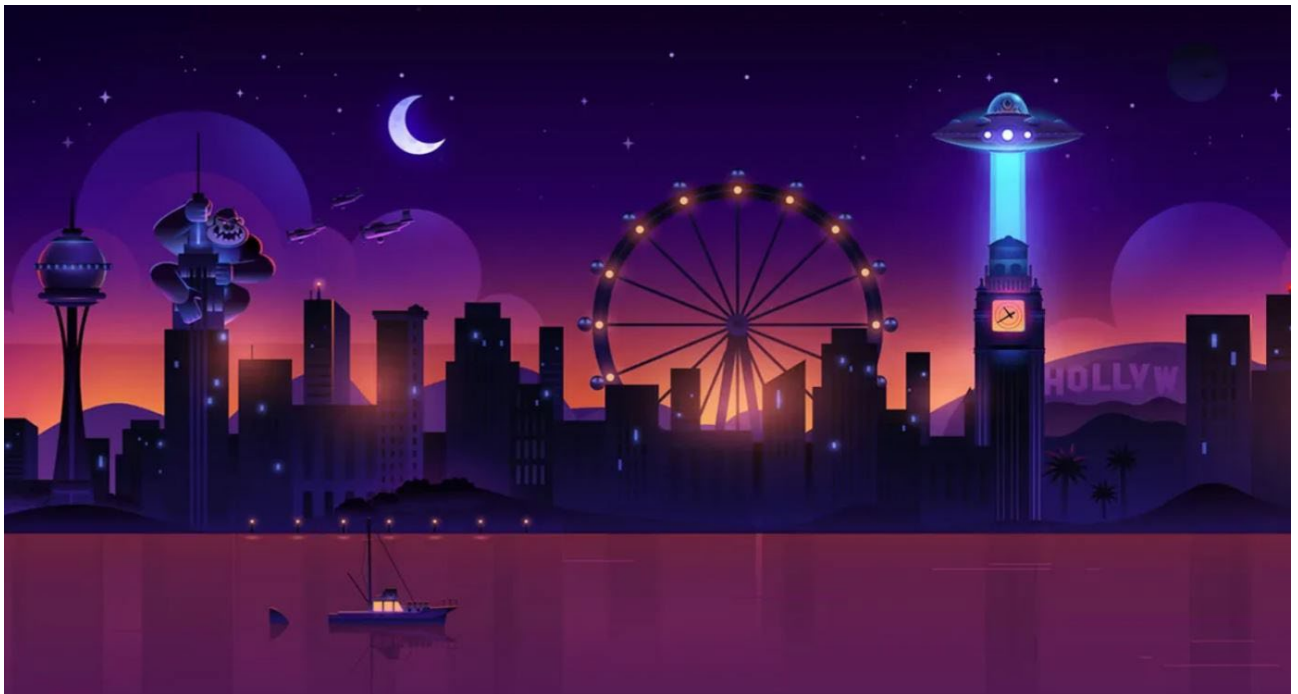
<sup>10</sup> *Id.*

<sup>11</sup> Roku, VP Clive Hudson, “Roku UK: The best TV entertainment for children (and parents)” (2015), <https://www.roku.com/blog/en-gb/roku-uk-the-best-tv-entertainment-for-children-and-parents>.

under the “Music” category in the Roku Channel Store, there’s lots of fun to be had for children of all ages.<sup>[12]</sup>

28. As Roku’s marketing suggests, Roku’s child users frequently watch Roku programming without a parent or other adult present. Indeed, a common way children consume Roku’s content is on personal tablets and mobile devices. According to Common Sense Media, a leading children’s advocacy non-profit, nearly 50% of children ages 2-4 and over 66% of children ages 5-8 have their own tablet or mobile device.<sup>13</sup> These same children spend approximately 73% of their screen time watching TV or videos.<sup>14</sup>

29. Other aspects of Roku further support the conclusion that the platform as a whole is directed to children. By default, Roku displays the “Roku City” screensaver on customers’ televisions when the Roku platform is left idle. Roku City is a cartoon screensaver with recurring animated characters apparently designed to appeal to children. Shown below is a representative Roku City screensaver that includes cartoon renderings of a gorilla and an alien spaceship.

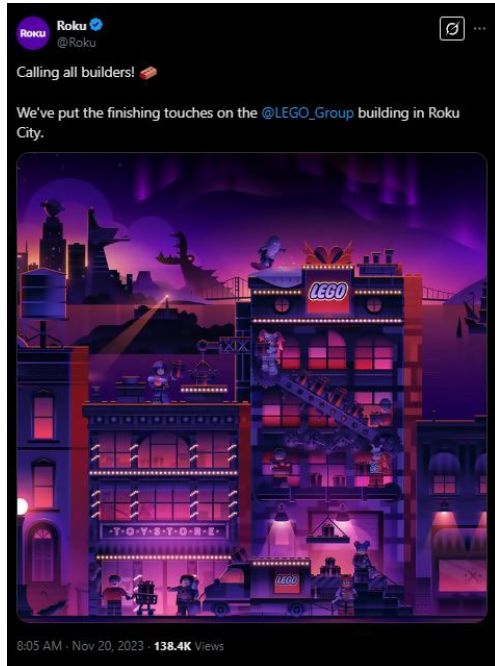


<sup>12</sup> *Id.*

<sup>13</sup> Common Sense Media, “The Common Sense Census: Media Use By Kids Age Zero to Eight” (2020), [https://www.commonsensemedia.org/sites/default/files/research/report/2020\\_zero\\_to\\_eight\\_census\\_final\\_web.pdf](https://www.commonsensemedia.org/sites/default/files/research/report/2020_zero_to_eight_census_final_web.pdf).

<sup>14</sup> *Id.*

30. The child-directed nature of Roku City and the Roku platform generally is confirmed by the fact that advertising on Roku City is frequently directed to children. Show below are examples of advertising on Roku City to promote Lego, Disney, and Spongebob Squarepants.



31. Roku has acknowledged that advertising and data collection regulations with respect to children’s programming pose a threat to its business. In its 2023 SEC Form 10-K, the company wrote, “Finally, there is political or regulatory pressure in some countries to limit streaming TV advertising (including limiting the advertising that may be associated with children’s content) or impose local content requirements on streaming TV services, which could pose a threat to our services.”<sup>15</sup> The company went on to acknowledge that it “could be at risk for violation or alleged violation of . . . privacy, advertising, children’s online protection, or similar laws.”<sup>16</sup>

#### IV. Collection of Children’s Personal Information on Roku

32. The Children’s Online Privacy Protection Act (COPPA) requires, among other things, that Roku refrain from collecting certain categories of personal information from users on sections of its platform directed to children without parental notice and consent. *See* 15 U.S.C. § 6502(a)(1); 16 C.F.R. § 312.3(a)-(b). Despite this obligation, Roku collects personal information from all users of its platform by default—instead of first determining whether those users are children. Roku also actively collects, and allows third parties to collect, the personal information of users who view children’s content by accessing it from child-directed sections of its platform. Even when children access content by first navigating to Kids and Family on The Roku Channel—one of many child-directed sections of the platform—Roku collects their personal information without parental notice and consent and uses that information to deliver targeted behavioral advertising to children on Roku platform pages.

33. By limiting the sections it treats as directed to children, Roku ensures that it collects and discloses the personal information of its child users. For instance, when children access content available on Kids and Family on The Roku Channel by clicking a link or searching for the content on a Roku platform page, Roku frequently collects their personal information. Similarly, Roku collects and allows third parties to collect the personal information of children watching third-party channels when those third parties fail to identify their content as directed to children. This is true

<sup>15</sup> Roku 2023 SEC Form 10-K at 16.

<sup>16</sup> *Id.* at 42.



1 even when Roku knows that the content is directed to children because it is placed within a child-  
2 directed section of the platform.

3 34. Roku's advertising business is built on user data, including a significant amount of  
4 data collected from child users. By choosing to ignore the child-directed nature of its platform as a  
5 whole, and the child-directed nature of certain sections of its platform, Roku ensures that it  
6 maximizes the personal information it collects. Roku then uses that personal information to  
7 maximize the value of targeted advertising delivered across Roku, as well as the value of the data it  
8 shares with and sells to third-party partners.

9 **A. The Collection of Children's Personal Information While Viewing Content**  
10 **Available on Kids and Family on The Roku Channel**

11 35. When children access content available on Kids and Family on The Roku Channel  
12 without first *navigating to* Kids and Family on The Roku Channel, they are frequently subject not  
13 only to Roku's collection of their personal information, but also to collection by third-party  
14 advertising trackers whose cookies Roku has installed on its platform.

15 36. For instance, shown below is a cookie from the internet tracking and advertising  
16 analytics firm New Relic. It is receiving information while a Roku user views content available on  
17 Kids and Family on The Roku Channel, including a URL containing the title of the movie  
18 (*Caillou's Holiday Movie*), and a persistent identifier ("a=").

19 <https://bam.nr-data.net/events/1/2acbd9030c7a=63612354&v=1.267.0&to=MIVbNhZSX0FYUhdYVwsffBoUQVRBSIsQHn8gZBZN&rst=54050&ck=0&is=4de689b25160e693&ref=https://therokuchannel.roku.com/de>  
20 tails/0bb8cd383e125bc592e5baa3494ad6aa/caillous-holiday-movie&ptid=ea53d129c85a8e6b

21 37. Similarly, Roku shares child users' personal information with advertising analytics  
22 company Innovid, which manages another cookie installed on the Roku platform. In this example,  
23 while the user is watching *A Monster in Paris*, a children's movie available in Kids and Family on  
24 The Roku Channel, Roku collects and discloses personal information in the form of a persistent  
25 identifier, as well as geolocation data (in the form of latitude and longitude), to Innovid:

[https://s.innovid.com/1x1.gif?project\\_hash=1iep03&client\\_id=6803&video\\_id=1350790&channel\\_id=4457369&publis her\\_id=1460&placement\\_tag\\_id=0&project\\_state=2&r=1727901193139&placement\\_hash=1a92q3&device\\_id=&action=init&ivc\\_exdata=dipn%3Ddeviceid%26deviceid%3DROKU\\_ADS\\_TRACKING\\_ID%26ivc\\_deviceid\\_raw%3DROKU\\_ADS\\_TRACKING\\_ID%26iv\\_geo\\_dma%3D609%26iv\\_geo\\_country%3DUS%26iv\\_geo\\_city%3DSt+Louis%26iv\\_geo\\_state%3DM O%26iv\\_geo\\_zip%3D63109%26iv\\_geo\\_lat%3D38.5848%26iv\\_geo\\_lon%3D-90.2996](https://s.innovid.com/1x1.gif?project_hash=1iep03&client_id=6803&video_id=1350790&channel_id=4457369&publis her_id=1460&placement_tag_id=0&project_state=2&r=1727901193139&placement_hash=1a92q3&device_id=&action=init&ivc_exdata=dipn%3Ddeviceid%26deviceid%3DROKU_ADS_TRACKING_ID%26ivc_deviceid_raw%3DROKU_ADS_TRACKING_ID%26iv_geo_dma%3D609%26iv_geo_country%3DUS%26iv_geo_city%3DSt+Louis%26iv_geo_state%3DM O%26iv_geo_zip%3D63109%26iv_geo_lat%3D38.5848%26iv_geo_lon%3D-90.2996)

38. Roku also shares geolocation information and persistent identifiers for children viewing content available on Kids and Family on the Roku Channel with at least one known data broker: Nexxen, formerly known as Tremor. Research from the U.S. Public Interest Research Group in 2023 identified Tremor as a notable data broker that grouped Americans in at least 400 different health segments, including “vape users” and users who have an “opioid interest,” in order to better “deliver targeted advertising.”<sup>17</sup> Shown below, while a user watches *Garfield Gets Real*, the 2007 children’s movie, Roku discloses geolocation data (in the form of latitude and longitude) to Nexxen, along with persistent identifiers.

[https://vae-bid.adsrvr.org/bid/feedback/tremor?t=1&iid=2c66134e-c3ff-4b52-9405-dab77c742c25&cid=ddp1u762&wp=19.15&aid=1&wpc=USD&sf=19368613&puid=&bdc=958&tdid=&pid=tbsgehi&age=g9vwwg&adv=92z6c77&sig=1LN\\_cTJzUaLPj1QvIPDBuG6FKx2efgyq3YlpnpD4-nA.&bp=24.15&cf=7427443&fq=0&td\\_s=com.roku.therokuchann el&rcats=&mste=&mflid=4&mssi=&mfsi=&uhow=112&agsa=&rgz=60601&svbttd=1&dt=PC&osf=Windows&os=Windows10&br=Edge&rlangs=en&mlang=&svpid=4vb92-fz evg&did=f3bd49e8-1210-48e7-b744-ab9f92a7be13&rcxt=InApp&lat=41.888199&lon=-87.616402&ttmpc=24.770000000000004&daid=&vp=0&osi=&osv=&sft=28&bx=120&testi d=%7Cfcaw%7C&vpb=PreRoll&c=1~KLUv\\_SNa1XJFuS0CAAMCB-6HIAKs9xX5n1dty9H-3-P\\_nbd7Lo1luskf9xcO\\_HkaCNGQVR6dREPPBXgJBiu1j8zbOeRNMki6OUX4QYUKoTFoGg-&dur=1~KLUv\\_SMFoCgkUP0AAGlCg9pU3BvBWlzcG908Pxb7wMQps7Szl0Sn-RZZB0.&durs=R6K5xM&crrrel=&pcm=1&vc=12&said=98a9626d-7932-46d6-9736-14c608c00dfc& ict=Unknown&auct=3&mgnr=animation&cxdur=75.01-90&cxlvs=0&im=1&mc=37a61268-af54-47ff-86ff-da79b9bdcbbd&ev=gVYzix82slEgAvazFO7zbOvDNwKUJz9wGF5G7i1p8](https://vae-bid.adsrvr.org/bid/feedback/tremor?t=1&iid=2c66134e-c3ff-4b52-9405-dab77c742c25&cid=ddp1u762&wp=19.15&aid=1&wpc=USD&sf=19368613&puid=&bdc=958&tdid=&pid=tbsgehi&age=g9vwwg&adv=92z6c77&sig=1LN_cTJzUaLPj1QvIPDBuG6FKx2efgyq3YlpnpD4-nA.&bp=24.15&cf=7427443&fq=0&td_s=com.roku.therokuchann el&rcats=&mste=&mflid=4&mssi=&mfsi=&uhow=112&agsa=&rgz=60601&svbttd=1&dt=PC&osf=Windows&os=Windows10&br=Edge&rlangs=en&mlang=&svpid=4vb92-fz evg&did=f3bd49e8-1210-48e7-b744-ab9f92a7be13&rcxt=InApp&lat=41.888199&lon=-87.616402&ttmpc=24.770000000000004&daid=&vp=0&osi=&osv=&sft=28&bx=120&testi d=%7Cfcaw%7C&vpb=PreRoll&c=1~KLUv_SNa1XJFuS0CAAMCB-6HIAKs9xX5n1dty9H-3-P_nbd7Lo1luskf9xcO_HkaCNGQVR6dREPPBXgJBiu1j8zbOeRNMki6OUX4QYUKoTFoGg-&dur=1~KLUv_SMFoCgkUP0AAGlCg9pU3BvBWlzcG908Pxb7wMQps7Szl0Sn-RZZB0.&durs=R6K5xM&crrrel=&pcm=1&vc=12&said=98a9626d-7932-46d6-9736-14c608c00dfc& ict=Unknown&auct=3&mgnr=animation&cxdur=75.01-90&cxlvs=0&im=1&mc=37a61268-af54-47ff-86ff-da79b9bdcbbd&ev=gVYzix82slEgAvazFO7zbOvDNwKUJz9wGF5G7i1p8)

39. Roku’s disclosure of this user data from viewers of content from Kids and Family on The Roku Channel is particularly troubling because Roku promised parents it would not collect this information. When launching Kids and Family on The Roku Channel, Roku told users it would collect only “non-user level data” from viewers.<sup>18</sup> Yet Roku now collects user-level data from these viewers—and, worse still, Roku shares that user-level data with data brokers and other third parties. And as discussed in Part IV.C below, Roku also collects user-level data from these viewers for purposes of its own targeted behavioral advertising on Roku platform pages.

<sup>17</sup> Comments of U.S. Public Interest Research Group, Proposed Amendments to the Health Breach Notification Rule at 3, 16 CFR part 318, Project No. P205405 (Aug. 8, 2023).

<sup>18</sup> Sarah Perez, “Roku launches a Kids & Family section on The Roku Channel, plus parental controls” (Aug. 19, 2019), <https://techcrunch.com/2019/08/19/roku-launches-a-kids-family-section-on-the-roku-channel-plus-parental-controls/>. The article noted that Roku’s parental controls feature would “give parents more control” over what their children could watch on The Roku Channel, but would be difficult to use in other respects “due to Roku’s current lack of user profiles.” *Id.*



**B. The Collection of Children’s Personal Information While Viewing Third-Party Children’s Content**

40. Roku also collects, and allows third-parties to collect, children’s personal information when they view third-party children’s content. Roku knows this content is directed to children because it is included in child-directed sections of the Roku platform, such as the Kids & Family section of the Roku Channel Store. Roku not only vets, curates, and delivers this programming, but Roku is also intimately involved in the advertising on these channels. Roku built the advertising technology that allows these channels to collect children’s data and serve children ads, and Roku itself serves some or all of the advertising on these third-party channels. Roku frequently collects personal information from users who view this children’s content when the third party fails to identify its own content as directed to children, and allows third parties to collect personal information from users who view this content even when those third parties have identified their content to Roku as directed to children. The fact that these third parties are collecting children’s personal information is no surprise to Roku. As detailed below, it has been publicized in multiple studies of Roku’s children’s content. Moreover, many channels Roku knows are directed to children state in their privacy policies posted on Roku that they collect the personal information of children who view their content.

41. Both Roku and third parties benefit from this collection of personal information. First, the personal information collected is valuable to Roku and to third parties for a number of purposes related to their advertising businesses, including support for ad attribution, as discussed in more detail below. Second, when third parties fail to identify the content as directed to children, Roku and the third parties not only can collect personal information from viewers of that content—they also can serve viewers of that content targeted, behavioral advertising, which is significantly more valuable.

42. Roku runs its own advertising on third-party channels, employing two distinct models. First, under the “Inventory Split” model, Roku has the right to sell up to 30% of the advertising inventory on third-party channels, with Roku keeping 100% of revenue from those sales. Publishers are then permitted to sell the remaining 70% of their advertising inventory, and

1 keep 100% of that revenue. Roku purports to conduct “content appropriateness reviews” before  
 2 serving advertising on third-party channels operating under the Inventory Split model.<sup>19</sup> Second,  
 3 Roku retains the right to enroll large, lucrative publishers in the “Roku Sales Representation  
 4 Program.” This involves Roku taking over and managing 100% of the channel’s advertising  
 5 inventory, and then sending back to the channels a share of the revenue.<sup>20</sup> Roku thus generally  
 6 serves targeted, programmatic advertising using user data across third-party channels on its  
 7 platform. Roku controls third-party channels’ advertising in other ways as well. For instance, Roku  
 8 enters into agreements with third-party channels that permit Roku to fill unsold advertising  
 9 inventory on those channels.

10 43. In light of Roku’s revenue model, any time a third-party channel fails to identify its  
 11 content as directed to children, both Roku and the third-party channel can benefit from the delivery  
 12 of more lucrative ads. Roku also facilitates—and exercises significant control over—the delivery of  
 13 advertising on third-party channels, including child-directed channels. Third-party channels on  
 14 Roku are built using Roku’s proprietary software development kit (SDK). Roku requires channel  
 15 owners to register for the Roku developer program, and it then provides step-by-step instructions for  
 16 how to use Roku tools to develop a Roku channel and run advertising on the channel. The “Roku  
 17 Advertising Framework” (RAF) is a library built into the Roku SDK that connects third-party  
 18 channels to third-party ad servers. Roku advertises that its RAF library is meant to handle the  
 19 burden of managing advertisements for third-party channel developers: “The RAF library is  
 20 intended to allow developers to focus their effort on the core design of their applications, and  
 21 provide them with the ability to quickly and easily integrate video advertising features with minimal  
 22 impact to the rest of their application.”<sup>21</sup>

23 44. Given the financial benefits of serving behavioral advertising and collecting personal  
 24 information from viewers, it is unsurprising that third parties frequently do not identify their content

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26 <sup>19</sup> Roku, Roku Developers, “Video advertisements,” [https://developer.roku.com/docs/features/monetization/video-](https://developer.roku.com/docs/features/monetization/video-advertisements.md)  
 27 [advertisements.md](https://developer.roku.com/docs/features/monetization/video-advertisements.md) (“Roku may not begin filling the 30% of ad inventory it manages until it has concluded its content  
 appropriateness review of the channel.”).

<sup>20</sup> *Id.*

28 <sup>21</sup> Roku, Roku Developers, “Integrating the Roku Advertising Framework,” [https://developer.roku.com/en-](https://developer.roku.com/en-gb/docs/developer-program/advertising/integrating-roku-advertising-framework.md)  
[gb/docs/developer-program/advertising/integrating-roku-advertising-framework.md](https://developer.roku.com/en-gb/docs/developer-program/advertising/integrating-roku-advertising-framework.md).

1 as directed to children—and that Roku is willfully blind to the practice. Indeed, third-party channels  
 2 included by Roku in the “Kids & Family” section of Roku’s Channel Store routinely collect and  
 3 disclose the personal information of children for the purpose of, among other things, serving  
 4 targeted advertising to those children.

5 45. A 2022 study by privacy analytics firm Picalate analyzed the advertising practices of  
 6 child-directed channels on Roku. Picalate determined a channel is “child-directed,” as that term is  
 7 defined by COPPA, by applying the relevant COPPA factors in a manual review process conducted  
 8 by its Trust and Safety Advisory Board, which was then led by a former FTC enforcer.<sup>22</sup> Based on  
 9 its analysis, Picalate found that approximately 350 channels on Roku are child-directed and serve  
 10 programmatic advertisements to children.<sup>23</sup>

11 46. Of the 350 child-directed channels Picalate examined, it determined that nearly all  
 12 (96%) of those channels collected precise geolocation information, sufficient to identify the street  
 13 name and city or town of the user, and disclosed that information to outside advertisers in the  
 14 process of delivering programmatic advertisements to the child viewers of these channels.<sup>24</sup>  
 15 Moreover, 90% of those 350 channels collected and disclosed the residential IP address of children  
 16 viewing the channels in the process of delivering programmatic advertisements.<sup>25</sup> And 100% of the  
 17 child-directed channels studied by Picalate collected and disclosed either precise geolocation  
 18 information or residential IP addresses of their child viewers in the process of delivering  
 19 programmatic advertisements.

20 47. Roku’s child-directed channels not only collect children’s personal information, but  
 21 also disclose that information to third parties. In fact, Roku’s child-directed channels disclose the  
 22 personal information of viewers at a *higher rate* than many other categories of Roku channels. A  
 23 study of Roku by Princeton and University of Chicago technology researchers determined that  
 24 Roku’s “Kids & Family” programming collected and disclosed children’s personal information to  
 25

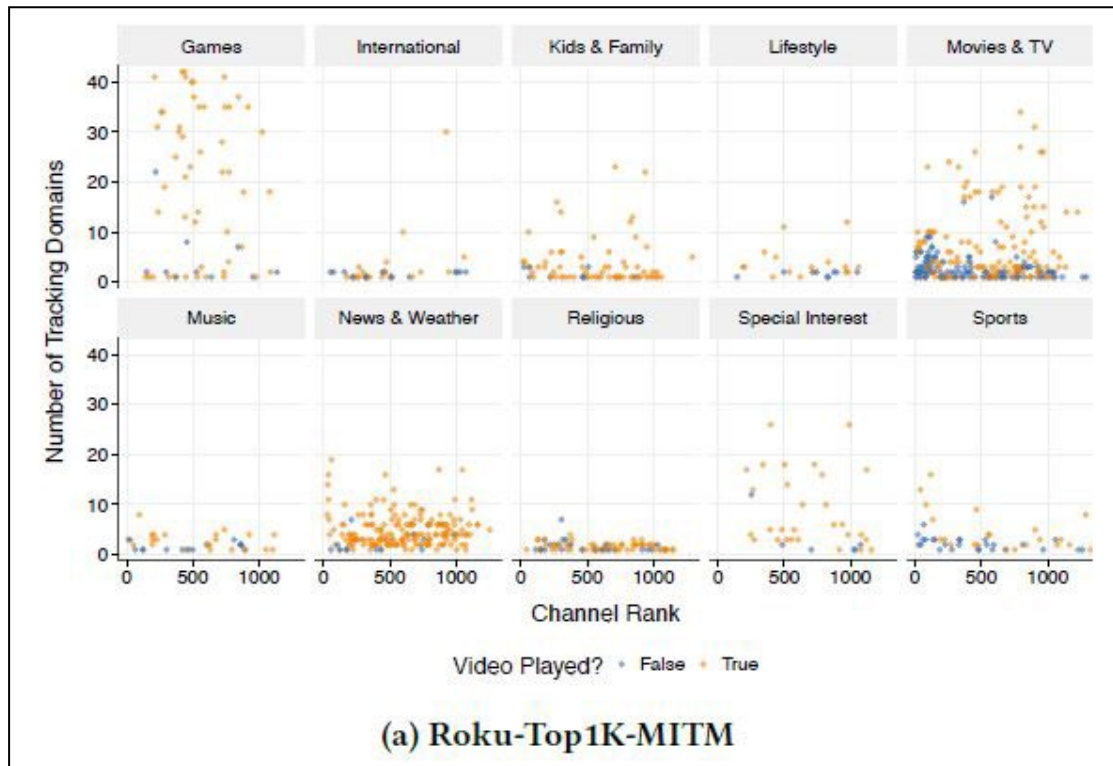
26  
 27 <sup>22</sup> Picalate, “Picalate’s CTV COPPA Compliance Tools – Methodology” (Feb. 16, 2023),  
<https://www.picalate.com/coppa-ctv-methodology>.

<sup>23</sup> Picalate, “CTV Apps: Roku vs. Amazon COPPA Risk Scorecard” (2022).

<sup>24</sup> *Id.*

<sup>25</sup> *Id.*

third-party advertising exchanges at a *higher* rate, and to *more* third-party domains, than programming in many other categories.<sup>26</sup> The researchers' findings, based on the most viewed "Kids & Family" channels on Roku at the time, are shown in the scatterplot labeled "Kids & Family" below.



48. The scatterplots above also show data collection and disclosure by channels in other categories that contain child-directed content. Content in the "Games" category contacted the highest number of outside tracking domains despite including a large number of child-directed games. For instance, the researchers found more than 40 separate trackers contacted by the game "Rock Paper Scissors Free," which was the 437th most popular channel on Roku at the time. "Rock Paper Scissors Free" remains on Roku's Channel Store today, and the game states in its privacy policy that it collects personal information including IP addresses, uses cookies to track players

<sup>26</sup> Moghaddam *et al.*, "Watching You Watch: The Tracking Ecosystem of Over-the-Top TV Streaming Devices," 2019 ACM SIGSAC Conference on Computer and Communications Security (2019).

1 across the internet, shares users' personal information with third-party ad servers, and uses this  
2 information to serve users targeted advertisements.<sup>27</sup>

3 49. Upon information and belief, a substantial portion—and likely a majority—of those  
4 individuals who play games on Roku are children. Many of the games in Roku's "Games" category  
5 are also included in the "Kids & Family" section of Roku's Channel Store. Moreover, Roku has  
6 stated in public blog posts that the platform includes "a whole host of games available to keep your  
7 children entertained," and that "[f]rom Mini Golf to Tetris . . . there's lots of fun to be had for  
8 children of all ages."<sup>28</sup> The same blog post promoted "the selection of karaoke channels found  
9 under the 'Music' category in the Roku Channel Store" as content "for children of all ages."<sup>29</sup>

10 50. Roku knows that these third-party channels collect children's personal information  
11 without parental notice or consent. Third-party channel pages in the Kids & Family section of  
12 Roku's Channel Store frequently link to privacy policies that state they collect and disclose the  
13 personal information of users, including location information and IP addresses, when they view the  
14 channels.

15 51. For example, the Kids & Family section of Roku's Channel Store includes the  
16 channel *Mini Movies*, which offers animated content it describes as a "treasure trove of  
17 heartwarming tales that entertain, educate, and inspire children."<sup>30</sup> The privacy policy linked on the  
18 *Mini Movies* Roku page, from its creator SignalJump, informs users that SignalJump "may collect  
19 . . . Internet Protocol (IP) address" from users, and that it uses "cookies and similar technologies" to  
20 track users.<sup>31</sup> It includes no provisions for protecting children's data. Upon information and belief,  
21 *Mini Movies* collects the personal information of children under the age of 13 on Roku, and Roku  
22 benefits from that collection.

23  
24  
25 <sup>27</sup> Roku, Roku Channel Store, Rock Paper Scissors Free, <https://channelstore.roku.com/en-gb/details/123cfe930b6c0a77b33fc4fbbca57805/rock-paper-scissors-free>; StuffWeLike, Privacy Policy, <http://www.stuffwelike.com/privacy-policy/>.

26 <sup>28</sup> Roku, VP Clive Hudson, "Roku UK: The best TV entertainment for children (and parents)" (2015), <https://www.roku.com/blog/en-gb/roku-uk-the-best-tv-entertainment-for-children-and-parents>.

27 <sup>29</sup> *Id.*

28 <sup>30</sup> Roku, Roku Channel Store, Mini Movies, <https://channelstore.roku.com/details/acb602aad32ab956af18bc15c14e80b1/mini-movies>.

<sup>31</sup> SignalJump, Privacy Policy, <https://signal-jump.com/policy.html>.

1           52. Another example of a child-directed channel openly collecting children’s data is  
 2 *Stunt Racer*, a game made by Mumbai-based Rendered Ideas, and included in the “Kids & Family”  
 3 section of Roku’s Channel Store. The Rendered Ideas Privacy Policy linked in the Roku Channel  
 4 Store states that it both collects children’s personal information and discloses that information to  
 5 third parties:

6           *We collect your name, IP address, device model number, device user*  
 7 *agent, location information, advertising id (android/ios), device id,*  
 8 *and/or any other information that may be collected by third parties*  
 9 *(such as ad networks). . . . We may use your information for the*  
 10 *purpose of providing, delivering, protecting, marketing and/or*  
 11 *improving our services. . . . We also might use your information for*  
 12 *Google analytics, Flurry analytics to better understand your interest*  
 13 *and serve you better (for example to update and develop player*  
 14 *profile, customize service experience etc). . . . Some of our*  
 15 *services/apps/games are supported by third party ad networks that*  
 16 *serve advertisements within our services/apps/games. These*  
 17 *adnetworks [sic] send advertisements and links to your device and*  
 18 *that will appear in our services/apps/games. When our*  
 19 *services/apps/games request such advertisements, some of your*  
 20 *information (such as your IP address, location information, device*  
 21 *User Agent, Advertising ID, device ID etc) is transferred to us and*  
 22 *these third party ad networks.*<sup>[32]</sup>

23           53. *Stunt Racer* thus collects and discloses the personal information of children under the  
 24 age of 13 on Roku, and Roku benefits from that collection and disclosure.

25           54. Even some of the most prominent child-directed third-party channels on Roku have  
 26 privacy policies that state they collect personal information from users. For example, the Roku page  
 27 for *HappyKids*, one of Roku’s most popular channels, as well as the pages for channels *Ninja Kidz*  
 28 *TV* and *HappyKids Girls*, all link to a Privacy Policy from creator Future Today, Inc., which states:

Do we collect Personal Data? YES. Some categories include IP  
 addresses, device and advertising identifiers, first name and last name,  
 usage data and other information obtained with cookies and similar  
 tracking technologies.<sup>[33]</sup>

<sup>32</sup> Rendered Ideas, Privacy Policy, <https://www.renderedideas.com/privacy-policy/> (emphasis added).

<sup>33</sup> Future Today, Privacy Summary, <https://futuretodayinc.com/privacy> (last updated Dec. 18, 2024).



1           55.     Until December 2024, Future Today’s Privacy Policy included a blanket statement  
2 that it “adheres to the U.S. Children’s Online Privacy Protection Act of 1998 . . . in the parts of our  
3 Service directed to children under the age of thirteen (13),” without further explanation.

4           56.     Upon information and belief, Future Today did not and still does not consistently  
5 limit the collection and processing of user data on its child-directed channels within the Roku  
6 Channel Store. On August 18, 2022, a Roku user reported that Future Today’s *Pinkfong & Baby*  
7 *Shark* channel displayed commercials “completely inappropriate for kids,” including commercials  
8 featuring “murder, dead bodies, crime scenes, blood, and everything else!”<sup>34</sup> The most likely  
9 explanation for these advertisements is that Future Today had enabled targeted, programmatic  
10 advertising on *Pinkfong & Baby Shark*, using personal information from the household Roku  
11 account viewing the content. The fact that Future Today could deliver targeted, programmatic ads  
12 on *Pinkfong & Baby Shark* content, even mistakenly, shows that it was improperly collecting Roku  
13 user data from viewers of *Pinkfong & Baby Shark*.

14           57.     When children view content included in the Roku Channel Store, neither Roku nor  
15 the above third-party channels obtain, or attempt to obtain, the parental consent required under  
16 COPPA to collect children’s personal information, nor do they provide notice of that data collection  
17 as required by COPPA.

18           **C. The Collection of Children’s Personal Information After Accessing Content Within**  
19           **Kids and Family on The Roku Channel**

20           58.     In addition to the collection of children’s personal information from content accessed  
21 outside Kids and Family on The Roku Channel, Roku also collects children’s personal information  
22 when they access children’s content *within* Kids and Family on The Roku Channel.

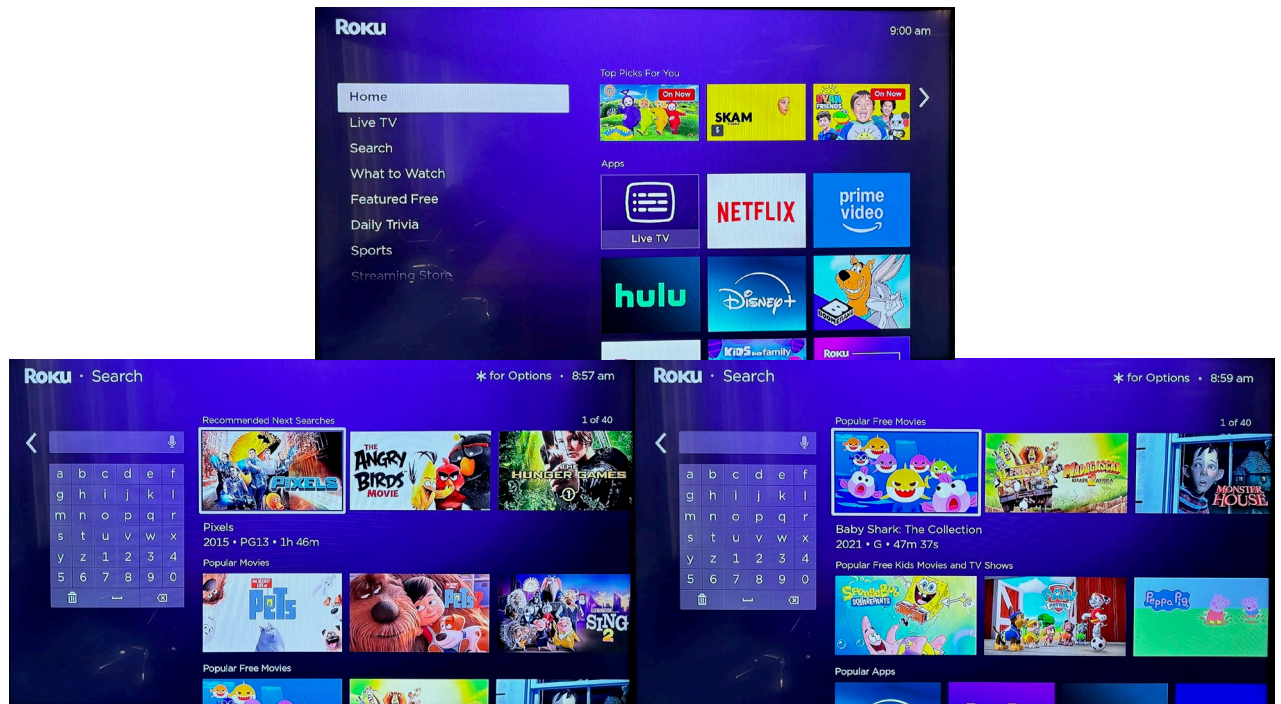
23           59.     Roku accounts that frequently view children’s programming on Kids and Family on  
24 The Roku Channel or third-party child-directed channels are targeted with advertisements and  
25 suggestions for other children’s programming from the moment they open their accounts—  
26 including on the Roku Home and Search screens, as shown on the next page. Critically, children  
27

28  

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<sup>34</sup> Roku, Channels & Viewing, “Adult commercials on kids channels” (Aug. 18, 2022).

who only viewed content from within Kids and Family on The Roku Channel would still receive some of these targeted advertisements. This is because Roku collects personal information while children view content within Kids and Family on The Roku Channel and uses that personal information to serve children targeted advertisements for Roku content and third-party paid content for which Roku receives a share of revenue.<sup>35</sup>



60. In the upper-right portion of the top image above (under “Top Picks For You”), Roku serves targeted advertisements for Roku’s own children’s content, and third-party paid programming, based on personal information Roku has collected—including personal information from viewers watching content *within* Kids and Family on The Roku Channel.

61. The types of targeted advertisements shown above are not presented to users based upon actions they have taken in the particular browsing session—they are present from the moment the user opens Roku. The advertisements thus are not “contextual advertising” served to a user based upon searches they have just run or pages to which they have just navigated, but rather

<sup>35</sup> Roku generally retains 20% of net revenue from any “Transaction channel” that “monetizes through subscriptions or in-app purchases.” Roku, Roku Developers, “Monetization overview,” <https://developer.roku.com/docs/features/monetization/monetization-overview.md>.

1 “behavioral advertising” that relies on personal information collected from child users over time.<sup>36</sup>  
 2 As explained above, this behavioral advertising includes ads for paid programming on Roku, from  
 3 which Roku earns a share of revenue, and third-party programming that Roku monetizes by serving  
 4 some or all of the advertising displayed. This behavioral advertising also includes advertisements  
 5 and recommendations for children’s programming on Kids and Family on The Roku Channel,  
 6 which Roku monetizes through advertising directed to children. Indeed, a substantial portion of the  
 7 advertising on Roku’s platform pages comprises advertisements for programming on The Roku  
 8 Channel—to great effect: 70% of usage of The Roku Channel is derived from ads for The Roku  
 9 Channel programming placed throughout the Roku platform.<sup>37</sup> In other words, Roku uses platform  
 10 advertisements to drive users to its own ad-supported programming.

11 62. Roku thus uses personal information collected from children who accessed content  
 12 from within Kids and Family on The Roku Channel to deliver those users targeted advertising for  
 13 content in which Roku has a unique financial interest. Furthermore, upon information and belief,  
 14 Roku uses the personal information it collects from children accessing content from within Kids and  
 15 Family on The Roku Channel not just to reach those children with behavioral advertising, but also  
 16 to amass profiles on those child users to aid its advertising business.

#### 17 **D. The Personal Information Roku Collects**

18 63. When Roku collects the personal information of children who view content in  
 19 sections it does not treat as directed to children, its collection includes a wide variety of sensitive  
 20 personal data. Moreover, Roku not only collects this personal information, but discloses it to third  
 21 parties. The personal information Roku acknowledges it collects and discloses to third parties  
 22 includes:

- 23 • “Identifiers, including, device identifiers, internet protocol addresses, browser  
 24 cookies, and other unique online identifiers”;

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26 <sup>36</sup> The FTC defines contextual advertising as “the delivery of advertisements based upon a consumer’s current visit to a  
 27 Web page or a single search query, without the collection and retention of data about the consumer’s online activities  
 over time.” 78 FR 3972 at 3979 n.94.

28 <sup>37</sup> Rick Munarritz, “5 Bullish Takeaways From Roku’s Blowout Quarter,” The Motley Fool (Aug. 2, 2024),  
<https://www.fool.com/investing/2024/08/02/5-bullish-takeaways-from-rokus-blowout-quarter/>.

- 1 • “Account registration information” including “name, address” and “telephone
- 2 number”;
- 3 • “Commercial information, including records of personal property, products
- 4 or services purchased, obtained, or considered, or other purchasing or
- 5 consuming histories or tendencies”;
- 6 • “Internet or other electronic network activity information, including, but not
- 7 limited to, browsing history, search history, and information regarding a
- 8 consumer’s interaction with an Internet website, application, or
- 9 advertisement”;
- 10 • “Precise geolocation”; and
- 11 • “Audio” and “visual” information from users,<sup>38</sup> which, until December 2024,
- 12 Roku explicitly acknowledged to include “consumers’ photos, videos, and
- 13 audio recordings.” Roku amended its privacy policy in December 2024 and
- 14 removed these examples.

15 64. Roku collects all of this personal information from children using its service when  
 16 they access certain content from child-directed sections of the Roku platform other than Kids and  
 17 Family on The Roku Channel, as well as when they access certain third-party children’s content that  
 18 Roku knows to be child-directed but that the third party has not identified as directed to children.  
 19 Roku also collects this personal information from children when they view content within Kids and  
 20 Family on The Roku Channel, and uses that personal information for targeted behavioral  
 21 advertising on its platform pages and to amass profiles of those children.

22 65. Roku acknowledges in its privacy policy that it collects users’ personal information  
 23 not only when they interact with Roku content or Roku platform pages, but also when they “access  
 24 streaming services on a Roku device or Roku’s Channels on other devices,” when they watch or  
 25 access *any* content on smart TVs with Roku’s OS installed (via “Automatic Content Recognition,”  
 26 which identifies content displayed on the TV screen even outside the Roku platform), and from  
 27

28 <sup>38</sup> Roku, User Privacy Policy, <https://docs.roku.com/published/userprivacypolicy>.

1 “websites, apps, streaming services, and connected devices (including Smart TVs and mobile  
2 devices) to which Roku provides advertising or measurement and analytics services.”<sup>39</sup>

3 66. Roku uses a variety of methods to obtain user data. These methods include the direct  
4 collection of users’ personal information, browsing data, and voice recordings; tracking users with  
5 Roku’s own cookies and persistent identifiers; and partnerships with third-party analytics  
6 companies and data brokers to record users’ viewing habits, to track users across the internet, and  
7 even to track users’ physical locations as they move about their day. Through this wide range of  
8 techniques, Roku has amassed what has been described as a “gold mine” of customer data.<sup>40</sup>

9 67. Roku uses the personal information it collects from child users to serve targeted  
10 advertisements across its platform—not just on programming. Indeed, Roku encourages channels  
11 seeking to grow their audience to purchase targeted display advertisements for those channels on  
12 Roku platform pages. Roku also offers these channels the ability to work with Roku staff to develop  
13 tailored advertising campaigns for the channels. In Roku’s own words:

14 The quickest and easiest way to get started promoting your [channel]  
15 on our platform is our [Roku Ad Manager] tool. This tool enables  
16 publishers to purchase display ads for their [channel] on Roku’s home  
17 screen UI. . . . Publishers with larger advertising budgets can also  
18 engage our Audience Development team. This team consists of  
19 campaign managers who use a more advanced toolset, and can help  
20 develop an on- and off-device advertising campaign that is tailored to  
21 your engagement goals on the platform.<sup>[41]</sup>

22 68. Roku’s invasive data collection and disclosure practices have not gone unnoticed.  
23 The company has gained a reputation for uniquely invasive data collection practices and for its  
24 disregard of users’ privacy. The Mozilla Foundation gave Roku its “Privacy Not Included” warning,  
25 a label it reserves for products it has “determined to have the most problems when it comes to  
26 protecting [users’] privacy and security.”<sup>42</sup> The Foundation describes Roku as “the nosy, gossipy

27 <sup>39</sup> *Id.*

28 <sup>40</sup> Nadine Krefetz, “Roku Enters Stage Left Selling Data with Roku Exchange,” Streaming Media (June 17, 2024),  
<https://www.streamingmedia.com/Articles/ReadArticle.aspx?ArticleID=164568>.

<sup>41</sup> Roku, Roku Developers, “Video advertisements,” <https://developer.roku.com/en-gb/docs/features/monetization/video-advertisements.md>.

<sup>42</sup> Mozilla Foundation, “Roku Streaming Sticks” (Nov. 9, 2022),  
<https://foundation.mozilla.org/en/privacynotincluded/roku-streaming-sticks/>; Mozilla Foundation, “About our Methodology,” <https://foundation.mozilla.org/en/privacynotincluded/about/methodology/>.

neighbor of connected devices,” explaining that Roku tracks “just about everything [it] can” and “share[s] the data with lots and lots of advertisers, channel providers, business affiliates, and more.”<sup>43</sup> Common Sense Media’s Privacy Program also gave Roku its “Warning” label, specifically giving it 20% (“Poor”) ratings on the issues of “Data Security” and “Parental Consent.”<sup>44</sup>

69. These criticisms do not deter Roku’s data collection, likely because aggressive data collection lies at the core of its business. In its 2023 SEC Form 10-K, Roku explained that its business depends on the expansive collection of user data and that legal limits on that data collection pose a threat to its business. Under a header that read, “*We may not be successful in our efforts to further monetize our streaming platform, which may harm our business,*” Roku explained:

Our ability to deliver advertisements relevant to our users and to increase our platform’s value to advertisers and content partners depends on the collection of user engagement data, which may be restricted or prevented by a number of factors, including the evolving data protection legal landscape.<sup>[45]</sup>

70. In its 2024 SEC Form 10-K, Roku expanded on the importance of collecting its users’ personal information to its advertising business. Under a header that read, “*We and our service providers and partners collect, process, transmit, disclose, and store personal information, which creates legal obligations and exposes us to potential liability,*” Roku explained:

We, our service providers and partners use tracking technologies to collect information about users’ interactions with our platform, devices, websites, apps, and partners’ digital properties, and deliver advertising and personalized content for ourselves and on behalf of our partners. To personalize content and advertisements effectively, we must leverage this data, as well as data provided by third parties. The U.S. federal government, U.S. states, and foreign governments have enacted (or are considering) laws and regulations that could significantly restrict us and other advertising industry participants’ ability to collect, use, retain, and disclose personal information. For example, some of these laws and regulations may require more

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<sup>43</sup> Mozilla Foundation, “Roku Streaming Sticks” (Nov. 9, 2022), <https://foundation.mozilla.org/en/privacynotincluded/roku-streaming-sticks/>.

<sup>44</sup> Common Sense Privacy Program, “Privacy Evaluation for Roku” (Mar. 22, 2023), <https://privacy.commonsense.org/evaluation/Roku>.

<sup>45</sup> Roku 2023 SEC Form 10-K at 16.



1 explicit consumer notice and consent for using tracking technology or  
2 collecting sensitive personal information . . . . Any restrictions on our  
3 ability to collect, use, or retain data is [sic] likely to increase the  
4 number of users to whom we cannot serve targeted advertising, which  
5 could make our platform less attractive to advertisers and partners,  
6 and harm our ability to grow our revenue, particularly our platform  
7 revenue which depends on effective delivery of advertising  
8 campaigns.<sup>[46]</sup>

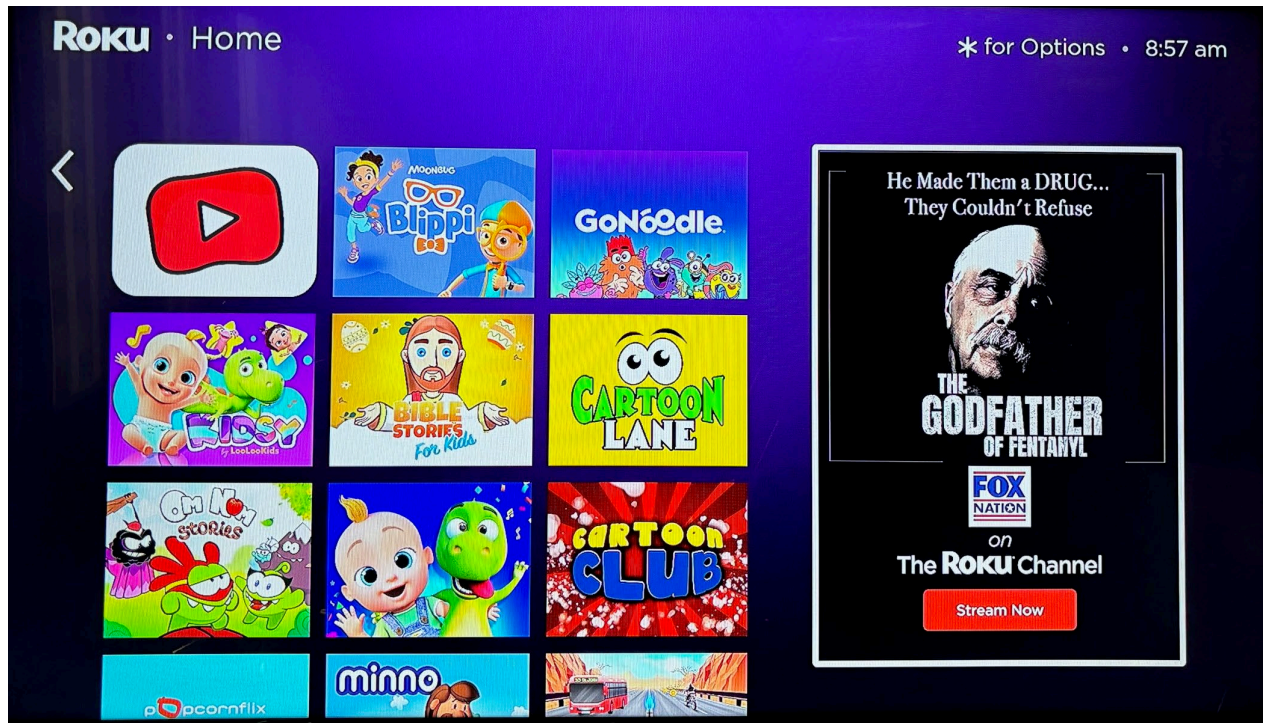
7 71. Unlike its major competitors, such as Google TV, Apple TV, and Amazon Fire TV,  
8 Roku does not offer its users an option to create user profiles, or separate profiles for child users,  
9 containing information about the user's age. For Roku's competitors, these profiles enable parents  
10 to identify when a child is using the service, moderate what content is accessible, and prevent or  
11 consent to the collection of that child's personal information. For instance, parents who set up a  
12 Google TV children's profile are prompted to provide consent for the collection and use of  
13 information collected from their children's profiles. By declining to implement children's profiles,  
14 Roku ensures that it does not have to limit its widespread collection of children's personal  
15 information when they use Roku. This maximizes the data Roku collects from its users by ensuring  
16 that Roku's most invasive data collection practices affect children on its platform just as much as  
17 they affect adults.

18 72. By not providing children's profiles, Roku ensures not only that it collects children's  
19 personal information alongside their parents' personal information, but also that it serves children  
20 targeted ads on the basis of the personal information it collects—as explained in the previous  
21 section. Another concrete result of this decision is that Roku accounts used by children are  
22 frequently presented with inappropriate targeted advertisements on platform pages otherwise full of  
23 child-directed content. An example is shown at the top of the next page.

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<sup>46</sup> Roku 2024 SEC Form 10-K at 30.



73. The importance to Roku of collecting children's personal information is demonstrated by the fact that parents have consistently complained to Roku about the absence of children's profiles and the fact that Roku renders them unable to insulate children from inappropriate content. In June 2022, a user complained that an age-inappropriate ad appeared on the Roku "homescreen when my kids were trying to watch cartoons" and that the ad was "like softcore [pornography]."<sup>47</sup> This parent added that they had seen users "complaining about Roku showing inappropriate content to minors via the 'ads' for years," and that while Roku's "argument may be that they don't know it's little children watching, I don't believe that." A Roku employee responded stating, "We'll be forwarding your comments to our advertising department for review." A different user then responded, "Shame on you Roku for this 'solution.'" This user explained that an ad for "Sex Next Door," a series about the personal and professional lives of four sex workers in Seattle, appeared on the "home screen for kids to view."<sup>48</sup> Similar examples abound. In April 2020, a user who had Roku on two separate TVs in their house inquired whether they could add channels to

<sup>47</sup> Roku, Account, payment & subscriptions, "Who can I talk to to report inappropriate content on Roku?" (June 3, 2022), <https://web.archive.org/web/20230129033126/https://community.roku.com/t5/Account-payments-subscriptions/Who-can-I-talk-to-to-report-inappropriate-content-on-Roku/m-p/798140>.

<sup>48</sup> *Id.*

1 Roku on one of the TVs, but not the other, because they did not want their children to have access  
 2 to all of the content they watched. A Roku Community Streaming expert responded that this could  
 3 not be done because it is impossible to have different profiles under one account.<sup>49</sup>

4 74. Roku likely resists its customers' calls for industry-standard children's profiles  
 5 because it knows that implementing such profiles would prevent it from collecting, and allowing  
 6 third parties to collect, the personal information of children in the manner described throughout this  
 7 complaint.

## 8 **V. Roku's Disclosure of Users' Personal Data to Third Parties**

9 75. Roku's troubling data collection practices extend beyond the collection of children's  
 10 personal information. Roku relies on third-party partners to enhance its collection of data from all of  
 11 its users—adults and children alike. Roku acknowledges that its websites use third-party cookies  
 12 that “collect information automatically” from Roku users.<sup>50</sup> These partnerships are a two-way  
 13 street: In order for Roku to gain the benefit of the information, it must share its users' sensitive  
 14 information with these third parties.

### 15 **A. Roku's Disclosure of the Content Users Watch or Request to Third Parties**

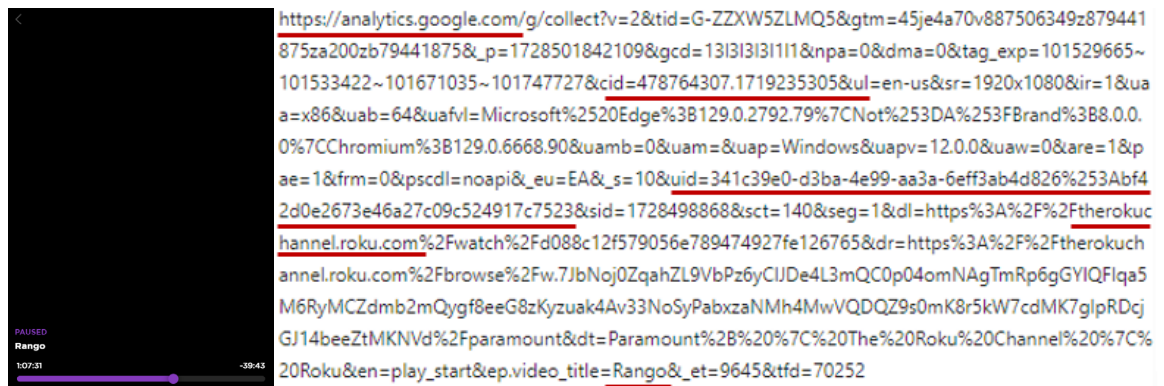
16 76. When Roku users watch programming—including children's programming—on The  
 17 Roku Channel from an internet browser, Roku shares personally identifying information about those  
 18 users with web tracking companies such as Google and New Relic. Among the information these  
 19 companies receive are URLs containing the titles of videos users are watching and have requested  
 20 from Roku, as well as User IDs and other persistent identifiers that identify those users. The image  
 21 below shows a Google Analytics cookie on The Roku Channel that is receiving a URL containing  
 22 the TV show (*Walker Texas Ranger*) and episode (*Blown Apart*) that the user is watching at that  
 23 time, along with persistent identifiers such as an alphanumeric Client ID (“cid=”).

24 [https://analytics.google.com/g/collect?v=2&tid=G-ZZXW5ZLMQ5&gclid=45je4a10v887506349za200zb79441875&p=1727895497749&gclid=131313111&nua=0&dma=0&tag\\_exp=101533421~101671035~101747727&cid=478764307.1719235305&ul=en-us&sr=1920x1080&ir=1&uaa=x86&uab=64&uafv=Microsoft%2520Edge%3B129.0.2792.65%7CNot%253DA%253FB%253B8.0.0.0%7CChromium%3B129.0.6668.71&uamb=0&uam=8&uap=Windows&uapv=12.0.0&uaw=0&are=1&pae=1&frm=0&pscdl=noapi&eu=EEA&s=9&uid=ba32db6e-d71f-4dfa-af0a-93721d1tecb2d%253Abca07dfc3c5d85445f16e168a9f7aa17&dl=https%3A%2F%2Ftherokuchannel.roku.com%2Fwatch%2F4740026b10d25c28848b8f217e60775c&dr=https%3A%2F%2Ftherokuchannel.roku.com%2Fdetails%2F618dd78c1a275ef989b06ebd492aa136%2Fwalker-texas-ranger&sid=1727895500&sct=128&seg=1&dt=Watch%20Walker%2C%20Texas%20Ranger%20-%20S4%3AE1%20Blown%20Apart%20\(1995\)%20Online%20for%20Free%20%7C%20The%20Roku%20Channel%20%7C%20Roku&en=page\\_view&\\_et=959&tfd=60320](https://analytics.google.com/g/collect?v=2&tid=G-ZZXW5ZLMQ5&gclid=45je4a10v887506349za200zb79441875&p=1727895497749&gclid=131313111&nua=0&dma=0&tag_exp=101533421~101671035~101747727&cid=478764307.1719235305&ul=en-us&sr=1920x1080&ir=1&uaa=x86&uab=64&uafv=Microsoft%2520Edge%3B129.0.2792.65%7CNot%253DA%253FB%253B8.0.0.0%7CChromium%3B129.0.6668.71&uamb=0&uam=8&uap=Windows&uapv=12.0.0&uaw=0&are=1&pae=1&frm=0&pscdl=noapi&eu=EEA&s=9&uid=ba32db6e-d71f-4dfa-af0a-93721d1tecb2d%253Abca07dfc3c5d85445f16e168a9f7aa17&dl=https%3A%2F%2Ftherokuchannel.roku.com%2Fwatch%2F4740026b10d25c28848b8f217e60775c&dr=https%3A%2F%2Ftherokuchannel.roku.com%2Fdetails%2F618dd78c1a275ef989b06ebd492aa136%2Fwalker-texas-ranger&sid=1727895500&sct=128&seg=1&dt=Watch%20Walker%2C%20Texas%20Ranger%20-%20S4%3AE1%20Blown%20Apart%20(1995)%20Online%20for%20Free%20%7C%20The%20Roku%20Channel%20%7C%20Roku&en=page_view&_et=959&tfd=60320)

28 <sup>49</sup> Roku, Roku setup, “Different channels on different devices on the same account?” (Apr. 11, 2020).

<sup>50</sup> Roku, “Roku Cookies Policy for Roku Websites,” <https://docs.roku.com/published/cookiepolicy/en/us>.

77. Shown below is another instance of the Google Analytics cookie installed on The Roku Channel. Here, Google receives URL information that identifies the title of the animated children’s movie the user is watching (*Rango*), along with persistent identifiers, including the same Client ID (“cid=”) in the image shown on the previous page, a User ID (“uid=”), and a browser fingerprint—all after the user chose to start the movie (“en=play\_start&ep.video\_title=Rango”).



78. As described earlier in this complaint, Roku also discloses the content its users watch, including content its child users watch, to advertising analytics firm New Relic. Upon information and belief, Google, New Relic, and other third-party tracking companies receive additional personally identifiable information about Roku users, including the users’ names, addresses, email addresses, precise geolocation information, IP addresses, Roku IDs, and other persistent identifiers. This is apparent from the fact that Roku lists Google and New Relic among the service providers that it uses to process information about users, identifies Google as providing “Ad Targeting, Analytics/Measurement, [and] Optimization” for Roku, identifies New Relic as providing “Analytics/Measurement, Content Customization, [and] Optimization” for Roku, and acknowledges in its privacy policy that it shares “Account registration Information, i.e., name, address, email address,” as well as “device identifiers, internet protocol addresses,” “other unique online identifiers,” and “Precise geolocation” with such “service providers.”<sup>51</sup> An ordinary person could use the information Google receives from Roku across its services, including browser fingerprint, Client ID, or User ID, to link a Roku user’s viewing history to the user’s identity. New

<sup>51</sup> Roku, “Roku cookie policy for Roku websites,” <https://privacy.roku.com/info/cookie>; Roku, User Privacy Policy, <https://docs.roku.com/published/userprivacypolicy>.

1 Relic’s ability to access personally identifying information is also apparent from New Relic’s open-  
2 source software specifically designed for Roku channels—the “New Relic Roku observability  
3 agent”—which acknowledges that it offers “[c]ustomer journey tracking” so that channels may  
4 “[f]ollow customers as they navigate the application towards their content.”<sup>52</sup>

5 79. Roku also currently uses, or has historically used, tracking pixels and cookies from  
6 Meta, LinkedIn, and Nextdoor to track its users, including on The Roku Channel. As a result, Roku  
7 has provided these companies URLs containing the titles of videos users have viewed, as well as  
8 personally identifiable information about the users. Moreover, Roku’s disclosures to these  
9 companies effectively identify users who are logged in to accounts with these companies, as the  
10 companies can link the Roku user to their identifying information (including their real name) from  
11 their Facebook, LinkedIn, or Nextdoor account. For example, Roku has installed the Meta Pixel on  
12 The Roku Channel. The Meta Pixel works by linking activity by Roku users to the Facebook  
13 accounts of those users. Roku users’ activity is linked to a Facebook ID, which is in turn readily  
14 linked to that person’s Facebook account in a process that has historically been simple enough for  
15 any ordinary person to complete. This means that when Roku discloses information about its users,  
16 including what those users watch, Facebook is able to readily link that information to the person’s  
17 identity.

18 80. Even if Meta, LinkedIn, or Nextdoor were not able to link users’ activities on Roku  
19 to their accounts with the companies, they also receive users’ personally identifying information  
20 from Roku directly. Upon information and belief, Roku discloses users’ personally identifying  
21 information to Facebook, LinkedIn, Nextdoor, and other third-party companies Roku partners with  
22 for advertising purposes. This is apparent because Roku identifies each of these companies among  
23 the companies it uses to collect and process information about users for “Ad Targeting,  
24 Analytics/Measurement, [and] Optimization,”<sup>53</sup> and, as discussed above, it acknowledges it shares  
25 users’ names, addresses, email addresses, precise geolocation information, IP addresses, Roku IDs,  
26 and other persistent identifiers with such companies.

27 \_\_\_\_\_  
28 <sup>52</sup> New Relic, “Roku,” <https://newrelic.com/instant-observability/roku>.

<sup>53</sup> Roku, “Roku cookie policy for Roku websites,” <https://privacy.roku.com/info/cookie>.



**B. Roku's Other Partnerships with Data Brokers**

81. Roku provides a variety of tools for advertisers to determine, and publishers to demonstrate, that advertisements served on the Roku platform are effective. Many of these tools are provided by third parties and integrated into the Roku operating system through Roku's Measurement Partner Program, which Roku describes as featuring companies that have been "evaluated and vetted" by Roku, including for "their compliance with consumer privacy policies."<sup>54</sup> Roku promotes the availability of these measurement partners as a valuable part of working with Roku. For instance, on a page dedicated to advertising on Roku and describing "[h]ow it works," Roku emphasizes the ability to use "trusted measurement providers" on Roku in order to "[m]easure impact and gather insights."<sup>55</sup>

82. Roku's Measurement Partner Program provides publishers and advertisers the tools to "measure outcomes across the marketing funnel, including reach, resonance, and reaction." "Reach" refers to identifying whom specifically "the campaign reach[ed]." "Resonance" refers to how "the audience resonate[d] with the campaign branding and message." And, perhaps most significantly, "reaction" refers to whether the campaign "ultimately dr[o]ve consumers to react via a purchase, store visit, or website visit."

83. Among its "Reaction Measurement" providers, Roku lists Kochava, an Idaho-based measurement and attribution software provider. According to Roku Head of Audience Development Grant Cohen, among the largest streaming apps on Roku, "more often than not," Kochava is "their preferred attribution provider." Attribution is the process of linking a reaction such as a store visit or purchase to a particular ad or ad campaign—in other words, demonstrating that a customer who visited a store or made a purchase saw a particular advertisement before doing so. Advertisers place great value on knowing, for instance, what percentage of Roku viewers who saw an ad for a particular clothing brand actually navigated to the brand's website or visited the brand's store, and how many of those viewers made a purchase. Publishers, in turn, have strong incentives to enable

<sup>54</sup> Roku, Roku Advertising, "Roku Measurement Partner Program," <https://advertising.roku.com/advertiser-solutions/roku-partners>. Roku has revised this webpage, but as of February 2024 it read, "Roku's measurement program partners are evaluated and vetted based on factors such as . . . their compliance with consumer privacy policies."

<sup>55</sup> Roku, Roku Advertising, "How it works," <https://advertising.roku.com/en-gb/getting-started/how-it-works>.



1 advertisers to understand their ad performance. Kochava delivers this data on Roku users,  
 2 benefitting Roku and its third-party channels in the process. Upon information and belief, Roku  
 3 continues to support Kochava integration. As recently as July 15, 2024, Kochava posted a step-by-  
 4 step guide for integrating Kochava with Roku, and both Roku and Kochava continue to promote  
 5 this integration as of the filing of this complaint.<sup>56</sup>

6 84. According to Roku, its Measurement Program Partners allow the company to “drive  
 7 the industry forward by providing innovative measurement solutions that put our consumer[s’]  
 8 privacy front and center.” At least with respect to Kochava, this is false.

9 85. Kochava is a data broker. According to the FTC, “Kochava sells data that directly  
 10 links [mobile advertising IDs] to individual consumers’ identifying information” and enables its  
 11 customers to “learn sensitive information about individual consumers who are identifiable without  
 12 inference or additional steps.”<sup>57</sup> Kochava offers its customers the ability to access “precise  
 13 geolocation data” for consumers, as well as “comprehensive profiles of individual consumers,”  
 14 which include a user’s “name, email address, and home address,” as well as the race of the user,  
 15 whether they have children, and how many children they have.<sup>58</sup>

16 86. Kochava collects user data by allowing tens of thousands of mobile apps free use of  
 17 the Kochava SDK. In return, Kochava uses these apps to constantly record timestamped latitude and  
 18 longitude coordinates and tie these coordinates to a Mobile Advertising ID (MAID) for that device  
 19 user. Kochava is also able to map individual devices to households using the “resting lat/long of a  
 20 given device between the hours of 10pm and 6am.”<sup>59</sup> In other words, Kochava tracks individual  
 21 personal devices throughout the day and links those personal devices to a specific household by  
 22 tracking where those devices are located at night. Meanwhile, Kochava’s integration with Roku  
 23 means that these personal devices are linked to a household’s Roku account, enabling Kochava to

24  
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 27 <sup>56</sup> See, e.g., Kochava, “Create a Roku OneView Campaign,” <https://support.kochava.com/campaign-management/create-a-roku-oneview-campaign/>.

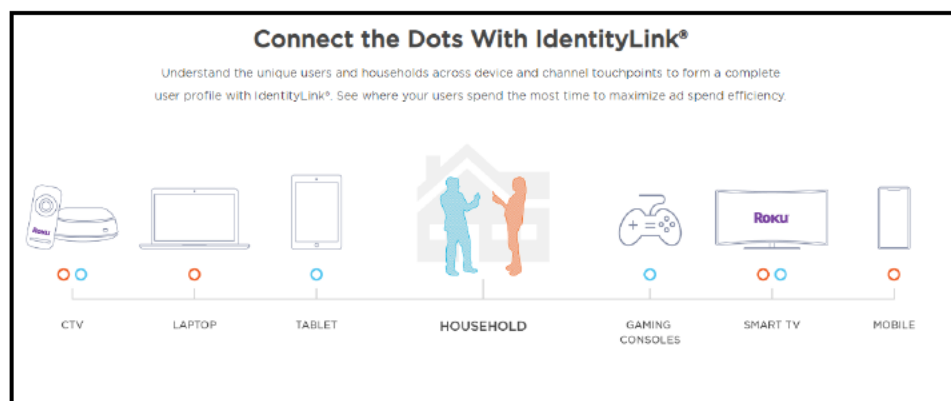
<sup>57</sup> Second Am. Compl. ¶ 17, *FTC v. Kochava Inc.*, No. 22-cv-377 (D. Idaho July 15, 2024).

<sup>58</sup> *Id.* ¶¶ 25-26.

<sup>59</sup> *Id.* ¶ 86.

connect household members' (including children's) movements throughout the day to ads they see on their Roku platform.

87. Kochava is popular because it provides advertisers with the ability to pinpoint “who saw their ads and took actions as a result of them,” and it distinguishes itself from its competitors by using location data to refine this information.<sup>60</sup> Kochava may be popular on Roku in particular because it solves a potential problem with advertising data supplied by Roku: Since Roku does not offer separate user profiles, Roku advertisers may have difficulty knowing when a Roku viewer other than the named Roku accountholder makes a purchase in a brick-and-mortar store after seeing an ad on Roku, knowing *which* household member makes the purchase, or knowing when a particular household member makes a purchase on his or her personal smartphone, laptop, or tablet after seeing an ad on Roku. Kochava helps solve these ad attribution problems by tracking the personal devices of the individual household members who watch content on a given Roku account, linking those personal devices to the Roku activity on those devices or the household's Roku hardware, and allowing advertisers to track those individual household members as they make purchases in brick-and-mortar stores or on their personal devices. Kochava readily matches persistent identifiers for each family member, and the personal information associated with those identifiers, with the persistent identifiers associated with a given Roku account or device. The image below is from Kochava's website, which promotes its IdentityLink solution for tracking individuals across devices as working with Roku in particular.



<sup>60</sup> Catherine Perloff, “Why Kochava? FTC Salvo Against Data Broker Puts Mobile Ad Tech on the Defensive,” Adweek (available at <https://archive.is/vo7Ef>).

1           88.     Using Kochava’s data, a Roku advertiser can better determine when a user who saw  
 2 a given ad made a purchase as a result of seeing that ad. For example, imagine that the digital  
 3 marketing team at a videogame company purchases ad inventory on Roku to run an ad for the  
 4 company’s new videogame. Even if the Roku account is registered in a parent’s name, if an 11-  
 5 year-old in the household goes to a store with their phone in their pocket and pays cash for the  
 6 game, Kochava can determine if that 11-year-old resides in a house with a Roku account that  
 7 displayed that ad—and potentially whether *that child’s device* watched the ad in question.

8           89.     The “Kochava Roku SDK” is embedded in many of the largest third-party channels  
 9 on Roku and, as discussed above, is the most popular attribution provider among Roku’s largest  
 10 third-party channels. Kochava’s integration with the Roku OS and third-party Roku channels  
 11 enables the company to collect, monetize, and disclose to third parties the personal information of  
 12 Roku users.

13           90.     Upon information and belief, that data includes personal information of children who  
 14 use the Roku platform. This is apparent from Kochava’s claim to be able to identify “consumers’  
 15 sensitive characteristics,” including “status as a minor.”<sup>61</sup> It is also apparent from Kochava’s claim  
 16 to have individualized information on “320 million unique people”<sup>62</sup> in the U.S., or 95% of the  
 17 population, a subsection that necessarily includes most children under 13 (who comprise  
 18 approximately 15% of the U.S. population). In 2021, Kochava entered into a settlement with the  
 19 parents of children who played gaming apps containing Kochava’s embedded SDK, on the basis of  
 20 Kochava’s alleged collection of children’s personal information.<sup>63</sup> The settlement mandated that  
 21 Kochava identify the thousands of child-directed apps it works with and “cease transmitting  
 22 personal data associated with those apps.”<sup>64</sup> This settlement, however, was focused exclusively on  
 23 mobile apps, and there is no indication that Kochava changed its practices with respect to Roku.

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 26 <sup>61</sup> Second Am. Compl. ¶ 52, *FTC v. Kochava Inc.*, No. 22-cv-377 (D. Idaho July 15, 2024).

27 <sup>62</sup> BusinessWire, “Kochava Announces Acquisition of DigiCenter” (May 19, 2021),  
<https://www.businesswire.com/news/home/20210519005084/en/Kochava-Announces-Acquisition-of-DigiCenter>.

28 <sup>63</sup> *Rushing v. Kochava Inc.*, No. 21-cv-322 (Sept. 3, 2021), Dkt. 10-1.

<sup>64</sup> *Id.* at 5.

1           91.     Upon information and belief, Kochava is integrated into child-directed third-party  
 2 channels on the Roku platform. Critically, however, given its ability to identify users’ “status as a  
 3 minor,” Kochava collects the personal information of children who use the Roku platform whether  
 4 or not those children watch child-directed content. Kochava uses persistent identifiers to collect  
 5 precise geolocation data and other personal information from Roku users it knows are children,  
 6 linking information with respect to their Roku usage to those children’s mobile devices and to  
 7 profiles of those children created by Kochava.

8           92.     Roku knows that Kochava collects this information from children who use the Roku  
 9 platform as well as from other Roku platform users. Roku advertises Kochava as a “Roku  
 10 Measurement Partner” that it has “evaluated and vetted.”<sup>65</sup> Even the most limited vetting by Roku  
 11 would reveal that Kochava collects this personal information regarding Roku platform users. Roku  
 12 benefits from Kochava’s data collection because Kochava increases the value of advertising on the  
 13 Roku platform, thereby increasing Roku’s advertising revenue and making its platform more  
 14 attractive to content providers and advertisers alike.

15           93.     Kochava is just one of many data brokers with which Roku partners. When Roku  
 16 customers request their private data files from the company, Roku provides a list of “third parties  
 17 that Roku shares user data with for the purposes of advertising.” Even when a Roku account  
 18 watches exclusively children’s content, this list contains over 300 distinct third parties, including 75  
 19 known data brokers, multiple of which have been sued by the FTC for violations of law. In addition  
 20 to Kochava, Roku partners with another data broker, InMarket, that has been the subject of an FTC  
 21 enforcement action for collecting the precise geolocation information of 100 million unique devices  
 22 between 2016 and 2024.<sup>66</sup> Four of the data brokers Roku acknowledges working with—Acxiom,  
 23 comScore, Experian, Viant—are known to collect the personal information of minors.

24  
 25  
 26 <sup>65</sup> Roku, Roku Advertising, “Roku Measurement Partner Program,” <https://advertising.roku.com/advertiser-solutions/roku-partners>. Roku has revised this webpage, but as of February 2024 it read, “Roku’s measurement program partners are evaluated and vetted based on factors such as . . . their compliance with consumer privacy policies.”

27 <sup>66</sup> FTC, “FTC Cracks Down on Mass Data Collectors: A Closer Look at Avast, X-Mode, and InMarket” (Mar. 4, 2024),  
 28 [https://www.ftc.gov/policy/advocacy-research/tech-at-ftc/2024/03/ftc-cracks-down-mass-data-collectors-closer-look-avast-x-mode-inmarket#\\_ftn3](https://www.ftc.gov/policy/advocacy-research/tech-at-ftc/2024/03/ftc-cracks-down-mass-data-collectors-closer-look-avast-x-mode-inmarket#_ftn3).

1 **C. Roku's Collection and Disclosure of Voice Data**

2 94. Roku released its first microphone-equipped remote in 2015. Since then, the  
3 company has invested heavily in voice functionality. The company added voice functionality to its  
4 mobile app, all Roku sticks ship with a voice-enabled remote, and all new Roku devices now  
5 support voice commands.

6 95. Roku retains voice recordings from customers' use of these features by default. In its  
7 privacy policy, it offers customers the ability to "disable Roku's retention of voice recordings  
8 captured on your remote control or mobile device."<sup>67</sup> Roku uses these voice recordings to improve  
9 its targeted advertising and develop its products, and also shares these voice recordings with third-  
10 party channels. Roku's privacy policy explains that it uses customers' "[a]udio" information<sup>68</sup> to,  
11 among other things, "improve and enhance the Roku Services (including building correlations for  
12 use in Roku's advertising services in order to better serve our advertisers), and to develop new  
13 products, services, features and functionality."<sup>69</sup> Elsewhere in its privacy policy, Roku  
14 acknowledges that it collects "audio information when [users] use voice-enabled features." Roku  
15 goes on to acknowledge that it shares its customers' audio data with "[channel] and content  
16 providers," "Voice assistant providers," and "Service providers and vendors."<sup>70</sup>

17 96. Roku also collects users' sensitive personal information via voice commands.  
18 According to Roku, its users "can use their Roku voice remote or mobile app to audibly enter their  
19 credentials" in order to purchase or use a third-party streaming app, including their "email,  
20 password, street address, PIN, and method of payment."<sup>71</sup>

21 97. Roku has admitted that it discloses the voice recordings it retains to third parties for  
22 processing purposes. Roku Director of Product Management Lloyd Klarke said in 2015 that Roku  
23  
24

25 <sup>67</sup> Roku, User Privacy Policy, <https://docs.roku.com/published/userprivacypolicy>.

26 <sup>68</sup> Until Roku revised its Privacy Policy on December 12, 2024, this section more specifically described collecting  
"Audio and visual Information, including consumers' photos, videos, and audio recordings," but the section of the  
privacy policy has now been shortened to disclose the broad collection of "Audio" and "similar information." *Id.*

27 <sup>69</sup> Roku, User Privacy Policy, <https://docs.roku.com/published/userprivacypolicy>.

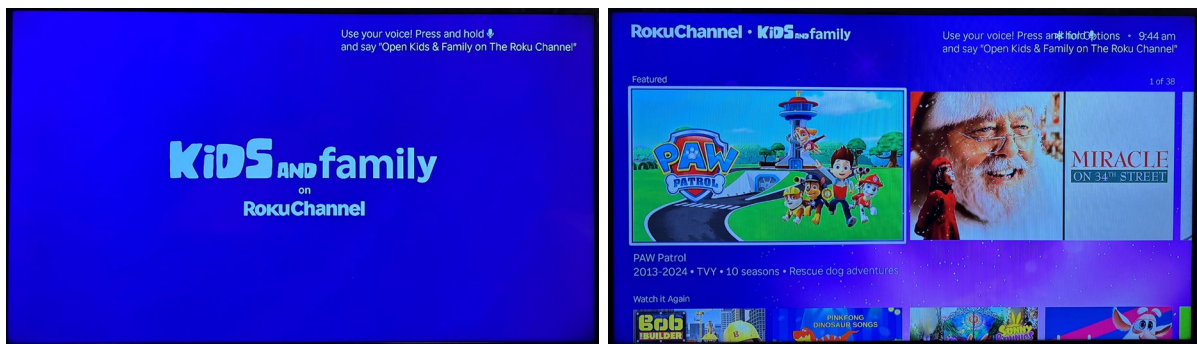
28 <sup>70</sup> *Id.*

<sup>71</sup> Roku, Roku Developers, "Roku Voice overview," <https://developer.roku.com/en-gb/docs/features/voice/overview.md>.



1 used an undisclosed third-party partner to help it process customers' voice commands.<sup>72</sup> As of the  
 2 date of this complaint, Roku continues to disclose users' voice data to a third-party data processor.

3 98. Roku frequently collects, retains, and discloses voice recordings of children under 13  
 4 when they use its voice features outside Kids and Family on The Roku Channel or third-party  
 5 content identified to Roku as directed to children. And even when children are viewing content that  
 6 Roku treats as directed to children, Roku continues to disclose children's voice recordings to one or  
 7 more third-parties for processing. Roku also uses Kids and Family on The Roku Channel to  
 8 encourage and teach child users to use its voice features, with instructions upon opening Kids and  
 9 Family on The Roku Channel to "Use your voice!"



16 99. In 2017, the FTC issued an Enforcement Policy Statement regarding the collection  
 17 and retention of voice recordings under COPPA. This policy statement acknowledged that the  
 18 collection of voice recordings by the operator of an online service directed to children constitutes a  
 19 "collection" of personal information that violates COPPA. 82 Fed. Reg. 58076. But the FTC said it  
 20 "would not take an enforcement action against the operator" for such collection when the voice file  
 21 is used "solely as a replacement for written words" and only retained "for the brief time necessary  
 22 for that purpose." *Id.* In other words, the FTC confirmed that it is a violation of COPPA for  
 23 operators such as Roku to collect *and retain* children's voice recordings, and it put operators on  
 24 notice that they could be subject to COPPA enforcement for retaining children's voice recordings.  
 25 Furthermore, the FTC explained that an operator would be subject to COPPA enforcement if it did  
 26 not "provide clear notice of its collection and use of the audio files and its deletion policy in its

72 VentureBeat, "Roku adds voice recognition and improves its search capabilities" (Apr. 6, 2015),  
<https://venturebeat.com/mobile/roku-adds-voice-recognition-and-improves-its-search-capabilities/>.

1 privacy policy,” and if the operator made “any other use of the audio file in the brief period before  
 2 the file is destroyed—for example, for behavioral targeting or profiling purposes, for identification  
 3 purposes through voice recognition, or for posting, selling, or otherwise sharing the file with third  
 4 parties.” *Id.* at 58076-77. Roku violates this Enforcement Policy Statement by collecting and  
 5 retaining voice recordings from portions of its service that are directed to children, by sharing voice  
 6 recordings of viewers of Kids and Family on The Roku Channel (and third-party channels identified  
 7 as child-directed) with a third-party data processor, and by failing to provide clear notice in its  
 8 privacy policy of its collection, use, and deletion policy with respect to children’s voice recordings.

9 100. Roku also maximizes its collection of children’s voice data—and all users’ voice  
 10 data—through its Voice Remote Pro, a remote that is always listening by default, and is set to  
 11 respond to the user’s command upon hearing the phrase “Hey Roku.” Upon information and belief,  
 12 Roku collects users’ voice data even when users have not said “Hey Roku” or otherwise  
 13 intentionally interacted with Roku’s voice-activated controls. Among the third-party domains with  
 14 which Roku shares user data are domains associated with Cox Media Group. Cox Media Group is a  
 15 company that offers advertisers the ability “to advertise to the exact people who need your service  
 16 by creating custom campaigns that flag when consumers discuss keywords relevant to your  
 17 business.”<sup>73</sup> Cox Media Group also reportedly uses “microphones embedded in . . . smart TVs” to  
 18 monitor users’ interests and target them with advertising.<sup>74</sup> One internet user who requested their  
 19 personal data file from Roku as far back as 2022 reported that the file containing their purported  
 20 “interests” included a category to designate users as having “[d]iscussed an Ad with a Friend or  
 21 Relative” alongside other ad-targeting categories such as whether the user used a tablet to make  
 22 purchases and whether the user was a vegan.<sup>75</sup> This user’s data request also suggests that Roku  
 23 provides advertisers with information enabling them to target ads based on the age of viewers, as it

24 \_\_\_\_\_  
 25 <sup>73</sup> Cox Media Group, “How Voice Data Works and How You Can Use It in Your Business” (Nov. 28, 2023),  
 26 <https://www.documentcloud.org/documents/24224884-how-voice-data-works-and-how-you-can-use-it-in-your-business-cmg-local-solutions?ref=404media.co>.

27 <sup>74</sup> Karl Bode, “Cox Media Group Brags It Spies On Users With Device Microphones To Sell Targeted Ads, But It’s Not  
 28 Clear They Actually Can” (Aug. 29, 2024), <https://www.techdirt.com/2024/08/29/cox-caught-again-bragging-it-spies-on-users-with-embedded-device-microphones-to-sell-ads/>. The article explained that Cox was “pretty clear” that it uses  
 “AI to collect this [voice] data from 470+ sources to improve campaign deployment, targeting and performance.” *Id.*

<sup>75</sup> Purism, “Data collected on me by ROKU” (Feb. 2022), <https://forums.puri.sm/t/data-collected-on-me-by-roku/16337>.

1 includes the categories “Children’s Interests,” “Unknown Gender 03-05,” “Unknown Gender 06-  
2 10,” and “Unknown Gender 11-15.”<sup>76</sup>

### 3 **VI. Roku’s Misrepresentations Regarding its Data Collection Practices**

4 101. Roku nowhere provides parents notice of its collection of children’s personal  
5 information. Nor does Roku ever obtain parental consent to collect and process children’s personal  
6 information. On the contrary, Roku misrepresents its practices with respect to its collection of  
7 children’s data. In so doing, Roku misleads parents into believing their children’s personal  
8 information is secure even as that personal information is collected and disclosed to third parties.  
9 More broadly, Roku misrepresents its data collection practices with respect to all users, including  
10 by providing users with deceptive privacy tools that provide much less privacy than they suggest.

#### 11 **A. Roku’s Misrepresentations Regarding Its Collection of Children’s Personal 12 Information**

13 102. First, as discussed above, Roku misrepresents its data-collection practices on Kids  
14 and Family on The Roku Channel. Despite saying it would collect only “non-user level data” from  
15 viewers of Kids and Family on The Roku Channel, Roku collects user-level, personal information,  
16 including information collected through persistent identifiers.<sup>77</sup>

17 103. Roku’s privacy policy also falsely and misleadingly denies knowledge that the  
18 company collects, processes, or sells the personal information of children. The company claims,  
19 “Roku does not have actual knowledge that it sells Personal Information or shares for cross-context  
20 behavioral advertising the Personal Information of consumers under 16 years of age.”<sup>78</sup> The  
21 company further claims, “Roku does not have actual knowledge that it processes the Personal  
22 Information of consumers under 13 years of age.”<sup>79</sup> Yet these statements cannot be accurate. Roku  
23 markets the immense variety of children’s content available on its platform and then collects,  
24 processes, and discloses children’s personal information when they view that content on the Roku  
25

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26 <sup>76</sup> *Id.*

27 <sup>77</sup> Sarah Perez, “Roku launches a Kids & Family section on The Roku Channel, plus parental controls” (Aug. 19, 2019),  
<https://techcrunch.com/2019/08/19/roku-launches-a-kids-family-section-on-the-roku-channel-plus-parental-controls/>.

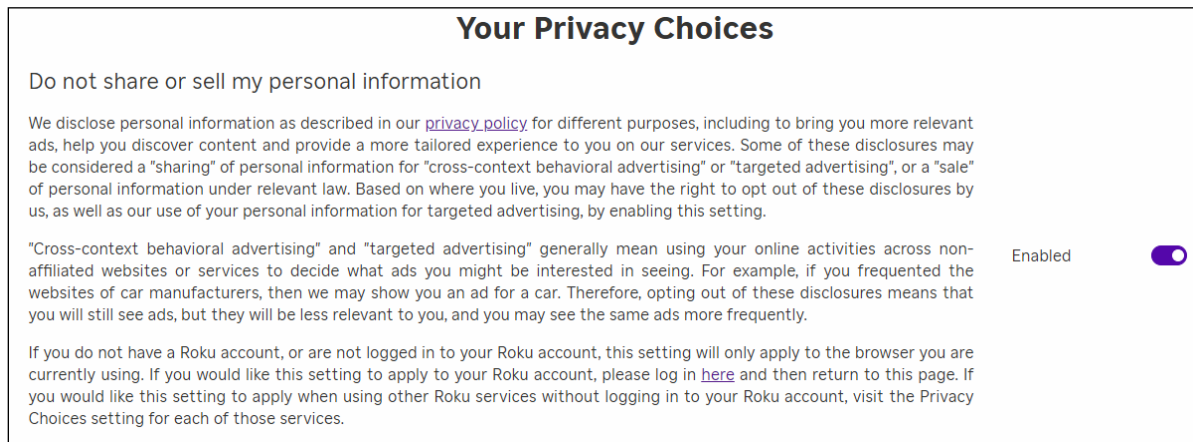
28 <sup>78</sup> Roku, User Privacy Policy, <https://docs.roku.com/published/userprivacypolicy>.

<sup>79</sup> *Id.*

platform. As outlined in this complaint, Roku regularly collects, processes, and discloses to third parties personal information from child-directed sections of its platform and child-directed content.

### **B. Roku's Misrepresentations Regarding Its Collection of All Users' Personal Information**

104. Roku offers its users the ability to enable a feature called, "Do not share or sell my personal information." Users in Michigan have the option to toggle this setting to "Enabled" and purportedly prevent Roku from sharing their personal information. The relevant screen, entitled "Your Privacy Choices," is pictured below.



105. Roku continues to share the personal information of Michigan users—and indeed all Roku users—who enable this setting. Among other things, Roku continues to share the personal information of users who enable this setting for purposes of ad attribution. As discussed earlier in this complaint, ad attribution is a frequently invasive form of personal information sharing that tracks users across the internet, and even in the physical world as they move about their day, to determine whether users shown a particular advertisement ultimately make a purchase (or otherwise “convert” by, for example, visiting the advertised webpage) after seeing that ad. In addition to sharing users’ personal information for ad attribution, Roku continues to allow third-party channels to access and disclose the personal information of Roku users when users have this setting enabled, including for purposes of targeted advertising.

106. Users who enable “Do not share or sell my personal information” on Roku are thus opting into a far narrower set of protections than the setting makes it appear. Even if users read the

1 fine print beneath the setting, it only obfuscates the effect of enabling this purported privacy setting.  
2 For instance, Roku writes that it “disclose[s] personal information as described in our privacy policy  
3 for different purposes, including to bring you more relevant ads,” and then explains in the next  
4 sentence that users “may have the right to opt out of these disclosures by us.” Roku nowhere  
5 explains that opting out of these disclosures *is limited to* disclosures that support targeted  
6 advertising. The most natural reading of the fine print below this setting is that it opts Roku users  
7 out of *all* personal information sharing by Roku and on the Roku platform that is described in  
8 Roku’s privacy policy—the breadth of which is outlined in this complaint. At the very least, that is  
9 the most natural understanding of “Do not share or sell my personal information,” and Roku’s fine  
10 print fails to correct this understanding with a narrower meaning. And although the fine print states  
11 that a user may have the right to opt out of Roku’s “use of your personal information for targeted  
12 advertising,” Roku nowhere explains that it will continue to allow third-party channels to use the  
13 personal information of users who have enabled this setting for purposes of targeted advertising.  
14 Roku also nowhere discloses to users in the fine print below this setting that it will continue to share  
15 users’ personal information for ad attribution purposes even after they enable the setting.

16 107. The “Do not share or sell my personal information” setting is not Roku’s first or only  
17 misleading privacy setting. Roku also historically misled customers by offering them an option to  
18 limit ad tracking. Roku previously provided users with the option to choose to “Limit Ad Tracking”  
19 in their Roku settings. In 2019, technology researchers from Princeton University and The  
20 University of Chicago studied the effect of selecting “Limit Ad Tracking” on Roku. These  
21 researchers activated “Limit Ad Tracking” and then reviewed the effect of this selection on a set of  
22 100 Roku channels, including the top 10 channels from Roku’s “Kids & Family” section.  
23 According to these researchers, activating this setting “did not affect the number of trackers  
24 contacted” by the channels they studied, did not affect the number of Roku device serial numbers  
25 leaked to third parties, and actually *increased* the number of outside domains contacted by these  
26 channels.<sup>80</sup> In short, Roku systematically misrepresented that parents and children watching Roku

27 \_\_\_\_\_  
28 <sup>80</sup> Moghaddam *et al.*, “Watching You Watch: The Tracking Ecosystem of Over-the-Top TV Streaming Devices,” 2019  
ACM SIGSAC Conference on Computer and Communications Security (2019).



1 could limit the collection and disclosure of their personal information on the Roku platform by  
 2 selecting “Limit Ad Tracking,” when in reality this selection had no significant effect on the  
 3 collection and disclosure of adults’ or children’s personal information.

#### 4 **VII. Interest of the Attorney General and The People of the State of Michigan**

5 108. Roku’s market share and uniquely invasive data collection and disclosure practices  
 6 make it one of the most widespread and serious threats to the privacy of Michigan residents—and  
 7 Michigan children in particular. Attorney General Dana Nessel brings this action on behalf of The  
 8 People of the State of Michigan to enforce the privacy rights and consumer protections guaranteed  
 9 to Michigan residents under state and federal law.

10  
 11 **CAUSE OF ACTION 1: Violation of Children’s Online Privacy Protection Act**  
 12 **– Collection of Children’s Personal Information by Operator of Online Service**  
 13 **Directed to Children**  
 14 **(15 U.S.C. § 6502)**

15 109. Plaintiff incorporates the foregoing allegations in this complaint as if fully set forth  
 16 herein.

17 110. Roku is an “operator” under COPPA because it is an “online service” that “collects  
 18 or maintains personal information from or about the users of . . . [the] online service.” 16 C.F.R.  
 19 § 312.2.

20 111. Roku is also an “operator” under COPPA with respect to third-party channels  
 21 because those channels collect personal information on Roku’s behalf, as Roku “benefits by  
 22 allowing [those third-party channels] to collect personal information directly from users.” *Id.*

23 112. Roku is also an “operator” under COPPA with respect to third-party channels  
 24 because Roku collects personal information on those channels’ behalf, and those channels “benefit[ ]  
 25 by allowing [Roku] to collect personal information directly from users.” *Id.*

26 113. Roku’s robust catalog of child-directed content, and the distribution of this child-  
 27 directed content across Roku platform pages, renders Roku an online service “directed to children”  
 28 under COPPA. *Id.* The Roku Channel and particular Roku platform pages, including Roku’s Home  
 page, Search page, Featured Free page, and What to Watch page are also “directed to children.” *Id.*

1           114. Roku’s “Kids and Family on The Roku Channel” section, the “Kids & Family” and  
2 “Games” sections of Roku’s Channel Store, Roku Zones, and other child-directed content sections  
3 such as “Animated Adventures” and “Popular Free Kids Movies and TV Shows,” as well as the  
4 channels and content in each these sections, are “directed to children.” *Id.*

5           115. Roku generally, and the above sections and the channels and content within them,  
6 are directed to children because they include, among other things, “animated characters,” “child-  
7 oriented activities,” “child celebrities,” “celebrities who appeal to children,” and “advertising . . .  
8 directed to children.” *Id.* Reliable empirical evidence regarding Roku’s audience composition,  
9 including reliable empirical evidence in Roku’s possession, will show that Roku, and the above  
10 sections and the channels and content in those sections, are online services directed to children.  
11 Statements by Roku also show that it is generally an online service directed to children, as are the  
12 above sections in particular, as well as the channels and content within them. As detailed earlier in  
13 this complaint, Roku employees and executives frequently discuss and promote Roku as a service  
14 made for children, including children who watch programming without a parent present, and Roku  
15 marketing uses images depicting children watching programming without a parent present.

16           116. Roku collects the “personal information” of children under age 13 who use the Roku  
17 platform generally, The Roku Channel, the Roku Home page, Search page, Featured Free page, and  
18 What to Watch page, the “Kids and Family on The Roku Channel” section, the “Kids & Family”  
19 and “Games” sections of the Roku Channel Store, and other child-directed content sections of the  
20 Roku platform such as Roku Zones, “Animated Adventures,” and “Popular Free Kids Movies and  
21 TV Shows,” as well as the channels and content in those sections.

22           117. Roku has “actual knowledge that it is collecting personal information directly from  
23 users of another Web site or online service directed to children,” because it knows that the “Kids &  
24 Family” and “Games” sections of its Channel Store, “Kids and Family on The Roku Channel,” and  
25 other child-directed sections of the Roku platform such as “Animated Adventures” and “Popular  
26 Free Kids Movies and TV Shows” are directed to children, as are the channels and content within  
27 those sections, including the channels described in this complaint.

28

1           118. Third-party channels in the “Kids & Family” and “Games” sections of Roku’s  
2 Channel Store, and third-party channels in other child-directed sections of the Roku platform such  
3 as “Animated Adventures” and “Popular Free Kids Movies and TV Shows,” collect the “personal  
4 information” of children on Roku’s behalf.

5           119. This collection of children’s personal information by Roku and third-party channels  
6 includes “[p]assive tracking of a child online,” “[e]nabling a child to make personal information  
7 publicly available in identifiable form,” and “[r]equesting, prompting, or encouraging a child to  
8 submit personal information online.” 16 C.F.R. § 312.2. This “personal information” includes  
9 persistent identifiers such as cookies, IP addresses, device serial numbers, and unique device  
10 identifiers; geolocation information sufficient to identify children’s “street name and name of a city  
11 or town”; files containing a child’s voice; and “[i]nformation concerning the child or the parents of  
12 that child that the operator collects online from the child and combines with an identifier.” *Id.*

13           120. This collection of children’s personal information includes the collection, retention,  
14 and disclosure to third parties of voice recordings. Roku does not provide clear notice of this  
15 collection and use of voice data, or of its deletion policy, in its privacy policy.

16           121. This collection of children’s personal information also includes collection of  
17 children’s “personal information” by third-party analytics companies and data brokers, including  
18 Kochava, Google, New Relic, Meta, LinkedIn, Nextdoor, and Innovid, which collect the “personal  
19 information” of children on Roku’s behalf because they are agents or service providers for Roku  
20 and because Roku benefits by allowing them to collect the personal information.

21           122. The personal information Roku misappropriates from children who use its platform  
22 has value to those children and their parents. There is a market for this type of personal information.

23           123. Roku does not “[p]rovide notice” of “what information it collects from children, how  
24 it uses such information, and its disclosure practices for such information.” 16 C.F.R. § 312.3.

25           124. Roku does not “[o]btain verifiable parental consent prior to any collection, use,  
26 and/or disclosure of personal information from children.” *Id.*

27           125. Roku does not “[p]rovide a reasonable means for a parent to review the personal  
28 information collected from a child and to refuse to permit its further use or maintenance.” *Id.*

1 126. Roku has not established and does not maintain “reasonable procedures to protect the  
2 confidentiality, security, and integrity of personal information collected from children.” *Id.*

3  
4 **CAUSE OF ACTION 2: Violation of Children’s Online Privacy Protection Act**  
5 **– Collection of Children’s Personal Information by Operator of Online Service**  
6 **with Actual Knowledge It is Collecting the Personal Information of Children**  
**(15 U.S.C. § 6502)**

7 127. Plaintiff incorporates the foregoing allegations in this complaint as if fully set forth  
8 herein.

9 128. Roku also has “actual knowledge that it is collecting or maintaining personal  
10 information from a child,” 16 C.F.R. § 312.2, because it knows that the third-party channels in its  
11 Roku Channel Store “Kids & Family,” “Animated Adventures,” “Popular Free Kids Movies and TV  
12 Shows,” and “Games” sections, including the channels and content described in this complaint, are  
13 child-directed.

14 129. Roku also has “actual knowledge that it is collecting or maintaining personal  
15 information from a child” when it collects, retains, and discloses to third parties voice recordings  
16 from users who are identifiably children under the age of 13. 16 C.F.R. § 312.2.

17 130. The third-party channels and content in the Roku Channel Store “Kids & Family”  
18 and “Games” sections, as well as other sections of the Roku platform such as “Animated  
19 Adventures” and “Popular Free Kids Movies and TV Shows,” are “directed to children” under  
20 COPPA. *Id.* The channels and content in these sections, and the sections themselves, include,  
21 among other things, “animated characters,” “child-oriented activities,” “child celebrities,”  
22 “celebrities who appeal to children,” and “advertising . . . directed to children.” 16 C.F.R. § 312.2.

23 131. Roku collects personal information from children under age 13 who use these child-  
24 directed online services. This collection of children’s personal information includes “[p]assive  
25 tracking of a child online,” “[e]nabling a child to make personal information publicly available,”  
26 and “[r]equesting, prompting, or encouraging a child to submit personal information online.” *Id.*  
27 This “personal information” includes persistent identifiers such as cookies, IP addresses, device  
28 serial numbers, and unique device identifiers; geolocation information sufficient to identify

1 children’s “street name and name of a city or town”; files containing a child’s voice; and  
 2 “[i]nformation concerning the child or the parents of that child that the operator collects online from  
 3 the child and combines with an identifier.” *Id.*

4 132. Roku collects, retains, and discloses to third parties voice recordings from children  
 5 who are identifiably under the age of 13. Roku does not provide clear notice of this collection and  
 6 use of voice data, or of its deletion policy, in its privacy policy.

7 133. The personal information Roku misappropriates from children who use its platform  
 8 has value to those children and their parents. There is a market for this type of personal information.

9 134. Roku does not “[p]rovide notice” of “what information it collects from children, how  
 10 it uses such information, and its disclosure practices for such information.” *Id.* § 312.3.

11 135. Roku does not “[o]btain verifiable parental consent prior to any collection, use,  
 12 and/or disclosure of personal information from children.” *Id.*

13 136. Roku does not “[p]rovide a reasonable means for a parent to review the personal  
 14 information collected from a child and to refuse to permit its further use or maintenance.” *Id.*

15 137. Roku has not established and does not maintain “reasonable procedures to protect the  
 16 confidentiality, security, and integrity of personal information collected from children.” *Id.*

17  
 18 **CAUSE OF ACTION 3: Video Privacy Protection Act**  
 19 **(18 U.S.C. § 2710)**

20 138. Plaintiff incorporates the foregoing allegations in this complaint as if fully set forth  
 21 herein.

22 139. Roku is a “video tape service provider.” 18 U.S.C. § 2710(a)(4).

23 140. Michigan residents who use Roku are Roku “consumer[s].” *Id.* § 2710(a)(1). In the  
 24 alternative, any person in Michigan who purchased Roku hardware and created an account with  
 25 Roku in order to access programming on Roku is a Roku “consumer.” *Id.* In the alternative, any  
 26 Roku accountholder in Michigan, or any Roku user in Michigan who purchases or subscribes to  
 27 video content on or through Roku, is a Roku “consumer.” *Id.*



1           141. As alleged above, Roku knowingly discloses personally identifiable information that  
2 identifies Roku customers as having requested or obtained specific video materials or services from  
3 Roku. This disclosure is made to a number of entities, including Google, New Relic, Meta,  
4 LinkedIn, Nextdoor, and Innovid.

5           142. By disclosing their protected information to third parties, Roku violated Michigan  
6 residents' statutorily protected rights to privacy in the videos they requested or obtained from Roku.

7           143. The Video Privacy Protection Act provides for liquidated damages in the amount of  
8 \$2,500 per violation of the statute, among other relief. Plaintiff seeks to recover these liquidated  
9 damages, and any other appropriate relief, on behalf of Michigan residents.

10  
11                   **CAUSE OF ACTION 4: Preservation of Personal Privacy Act**  
12                   **(M.C.L. § 445.1711)**

13           144. Plaintiff incorporates the foregoing allegations in this complaint as if fully set forth  
14 herein.

15           145. Michigan's Preservation of Personal Privacy Act, also called the Video Rental  
16 Privacy Act, prohibits businesses that sell, rent, or lend video recordings from knowingly disclosing  
17 "a record or information that personally identifies the customer as having purchased, leased, rented,  
18 or borrowed" the video recordings. M.C.L. § 445.1712.

19           146. Any Roku accountholder in Michigan is a Roku "customer." M.C.L. § 445.1711(a).  
20 In the alternative, any Roku user in Michigan who has purchased or subscribed to video content on  
21 or through Roku, or who has purchased Roku hardware, is a Roku "customer." *Id.*

22           147. Roku is engaged in the business of selling, renting, and lending video recordings to  
23 Michigan consumers in a few distinct ways. First, Roku sells, rents, and/or lends video recordings to  
24 Michigan consumers through the sale of its Roku hardware. In exchange for the purchase of Roku  
25 hardware, Roku customers gain access to third-party programming as well as programming on The  
26 Roku Channel. Roku also sells ad-free and limited-ad premium streaming service content and  
27 subscriptions through The Roku Channel. Upon information and belief, Roku has sold Premium  
28 Subscriptions within The Roku Channel to Michigan consumers. Roku also is engaged in the

1 business of selling, renting, and lending video recordings through the Roku Movie and TV Store, as  
2 well as through the Vudu channel and Fandango at Home. In each case, Roku handles the delivery  
3 of and payment for movies and television shows purchased and rented by its customers. Upon  
4 information and belief, Michigan residents have purchased and rented video recordings from the  
5 Roku Movie and TV Store, the Vudu channel, and Fandango at Home.

6 148. Roku has disclosed information that personally identifies Michigan customers as  
7 having purchased, leased, rented, or borrowed particular video recordings on the Roku platform.  
8 Roku knowingly discloses personally identifiable information that identifies Roku customers as  
9 having requested or obtained specific video materials or services from Roku. This disclosure is  
10 made to a number of entities, including Google, New Relic, Meta, LinkedIn, Nextdoor, and Innovid.

11 149. Plaintiff seeks appropriate relief as set forth in § 5 of the Video Rental Privacy Act,  
12 including damages and reasonable costs and attorney's fees. M.C.L. § 445.1715. Plaintiff seeks to  
13 recover damages, and any other appropriate relief, on behalf of Michigan residents.

14  
15 **CAUSE OF ACTION 5: Michigan Consumer Protection Act**  
16 **(M.C.L. § 445.901 et seq.)**

17 150. Plaintiff incorporates the foregoing allegations in this complaint as if fully set forth  
18 herein.

19 151. The conduct and practices by Roku alleged above constitute “[u]nfair,  
20 unconscionable, or deceptive methods, acts, or practices in the conduct of trade or commerce” under  
21 § 3 of the Michigan Consumer Protection Act, M.C.L. § 445.903(1).

22 152. Roku's failures to provide notice and obtain parental consent as required under  
23 COPPA constitute “[u]nfair, unconscionable, or deceptive methods, acts, or practices in the conduct  
24 of trade or commerce,” including because Roku creates a “probability of confusion or of  
25 misunderstanding as to the legal rights” of parents and as to the “obligations” of Roku, M.C.L.  
26 § 445.903(1)(n), and because Roku enters into “consumer transaction[s] in which the consumer  
27 waives or purports to waive a right, benefit, or immunity provided by law” without the waiver being  
28 “clearly stated” or the consumer having “specifically consented to it,” *id.* § 445.903(1)(t).

1           153. Roku’s disclosures of customers’ personal information in violation of the federal  
 2 Video Privacy Protection Act and the Michigan Video Rental Privacy Act constitute “[u]nfair,  
 3 unconscionable, or deceptive methods, acts, or practices in the conduct of trade or commerce,”  
 4 including because Roku creates a “probability of confusion or of misunderstanding as to the legal  
 5 rights” of consumers and as to the “obligations” of Roku, *id.* § 445.903(1)(n), and because Roku  
 6 enters into “consumer transaction[s] in which the consumer waives or purports to waive a right,  
 7 benefit, or immunity provided by law” without the waiver being “clearly stated” or the consumer  
 8 having “specifically consented to it,” *id.* § 445.903(1)(t).

9           154. By stating that it does not have actual knowledge that it processes children’s personal  
 10 information, by representing that it does not collect user-level data from Kids and Family on The  
 11 Roku Channel, by continuing to share and sell personal information of consumers who enable the  
 12 “Do not share or sell my personal information” setting, and by not materially limiting ad tracking  
 13 for users who have selected “Limit Ad Tracking,” Roku engages in “[u]nfair, unconscionable, or  
 14 deceptive methods, acts, or practices in the conduct of trade or commerce,” including because it is  
 15 “[r]epresenting that goods or services have . . . characteristics . . . that they do not have,” *id.*  
 16 § 445.903(1)(c), “[f]ail[s] to reveal facts that are material to the transaction in light of  
 17 representations of fact made in a positive manner,” *id.* § 445.903(1)(cc), and “[f]ail[s] to reveal a  
 18 material fact, the omission of which tends to mislead or deceive the consumer, and which fact could  
 19 not reasonably be known by the consumer,” *id.* § 445.903(1)(s).

20           155. Each of Roku’s violations of the Michigan Consumer Protection Act constitutes a  
 21 persistent and knowing violation with respect to each Michigan consumer affected.

22           156. Plaintiff seeks the appropriate relief set forth in § 5(1) of the Michigan Consumer  
 23 Protection Act, *id.* § 445.905(1), which provides for injunctive relief as well as penalties up to  
 24 \$25,000 for each persistent and knowing violation of the Act.

25  
 26                           **CAUSE OF ACTION 6: Intrusion Upon Seclusion**

27           157. Plaintiff incorporates the foregoing allegations in this complaint as if fully set forth  
 28 herein.

1           158. The personal information collected and disclosed by Roku from Michigan residents  
2 under 13 years old, and Michigan residents of all ages, is private and secret information.

3           159. Michigan residents under 13 years old, and Michigan residents of all ages, have a  
4 right to keep the personal information collected and disclosed by Roku private.

5           160. Roku's collection, retention, and disclosure of the personal information of Michigan  
6 residents under 13 years old, and Michigan residents of all ages, is objectionable to a reasonable  
7 person, as it is done in violation of COPPA, the Michigan Consumer Protection Act, and in a  
8 manner that a reasonable person would deem objectionable.

9           161. Roku intrudes upon the seclusion of Michigan residents under 13 years old when it  
10 collects, retains, and discloses their personal information.

11           162. Roku also intrudes upon the seclusion of Michigan residents of all ages when it  
12 collects, retains, and discloses their personal information.

13           163. Information regarding Roku users' physical location throughout the day is private  
14 and secret information.

15           164. Michigan residents have a right to keep information regarding their physical location  
16 throughout the day private.

17           165. The collection, retention, and disclosure of physical location information of child and  
18 adult Roku users, as well as other personal information, by Kochava, InMarket, and other data  
19 brokers and advertising attribution providers is objectionable to a reasonable person as it is done in  
20 violation of the Michigan Consumer Protection Act, COPPA, and in a manner that a reasonable  
21 person would deem objectionable

22           166. Roku knows that Kochava, InMarket, and other data brokers and advertising  
23 attribution providers collect, retain, and disclose the physical location information of users, and that  
24 they do so in violation of the Michigan Consumer Protection Act, COPPA, and in a manner that a  
25 reasonable person would deem objectionable.

26           167. Roku provides substantial assistance and encouragement to Kochava, InMarket, and  
27 other data brokers and advertising attribution providers that collect, retain, and disclose the physical  
28

1 location of users, by facilitating and promoting the use of these services, including through its  
2 Measurement Partner Program.

3 168. Roku's facilitation and promotion of the collection, retention, and disclosure of  
4 physical location information, as well as other personal information, of its child and adult users  
5 through Kochava, InMarket, and other data brokers and advertising attribution providers is  
6 objectionable to a reasonable person as it is done in violation of the Michigan Consumer Protection  
7 Act, COPPA, and in a manner that a reasonable person would deem objectionable.

8 169. Roku intrudes upon the seclusion of Michigan residents, and aids and abets intrusion  
9 upon the seclusion of Michigan residents, when it facilitates, promotes, and aids and abets the  
10 collection, retention, and disclosure of its child and adult users' physical location and other personal  
11 information by Kochava, InMarket, and other data brokers and advertising attribution providers.

12 170. The information regarding the video content Roku users search for and/or watch on  
13 Roku that is disclosed to third parties by Roku is private and secret information.

14 171. Michigan residents have a right to keep the information regarding the video content  
15 they search for and watch on Roku private.

16 172. Roku's disclosure to third parties of information identifying its users as having  
17 searched for and/or watched video content is objectionable to a reasonable person, as it is done in  
18 violation of the Video Privacy Protection Act, the Video Rental Privacy Act, and in a manner that a  
19 reasonable person would deem objectionable.

20 173. Roku intrudes upon the seclusion of Michigan residents when it discloses  
21 information identifying these residents as having searched for and/or watched particular video  
22 content on Roku.

23  
24 **CAUSE OF ACTION 7: Unjust Enrichment**

25 174. Plaintiff incorporates the foregoing allegations in this complaint as if fully set forth  
26 herein.

27 175. Michigan residents under 13 years old who used Roku conferred a benefit on Roku  
28 by providing Roku with personal information. Roku collected and monetized that personal



1 information, and also used that personal information to improve its own services. Roku has retained  
2 this benefit, including in the form of revenue and profits earned from its advertising business, its  
3 sale of users' personal information, and in the improvement of its technology.

4 176. Roku's collection of Michigan children's personal information was done in violation  
5 of these children's rights under COPPA, the Michigan Consumer Protection Act, as well as their  
6 common law privacy rights. Roku has been unjustly enriched by its collection of Michigan  
7 children's personal information.

8 177. Michigan residents who have instructed Roku not to "share or sell [their] personal  
9 information" or who have selected "Limit Ad Tracking" in the Roku settings have conferred a  
10 benefit on Roku by providing the company with their personal information. Roku has retained that  
11 benefit. As outlined above, Roku shared and sold these residents' personal information, and did not  
12 limit ad tracking with respect to these residents. In so doing, Roku violated the Michigan Consumer  
13 Protection Act, M.C.L. § 445.903(1)(c), (s), (cc).

14 178. Roku has thus been unjustly enriched by its collection, sale, and sharing of the  
15 personal information of Michigan residents who instructed Roku to limit ad tracking and to not  
16 share or sell their personal information.

17 179. The principles of justice and equity require the disgorgement of the profits Roku has  
18 retained as a result of its inequitable conduct.

19 **PRAYER FOR RELIEF**

20 Plaintiff prays for judgment against Defendant as follows:

21 180. Awarding Plaintiff injunctive relief by enjoining Roku, its officers, agents, servants,  
22 and employees, and all those acting in concert with the aforementioned parties, from engaging in  
23 the conduct alleged herein.

24 181. Awarding Plaintiff damages on behalf of Michigan consumers.

25 182. Awarding Plaintiff all equitable relief that the Court may deem just and proper,  
26 including restitution in the form of disgorgement of profits.

27 183. Awarding Plaintiff civil penalties.

28 184. Awarding Plaintiff reasonable attorneys' fees and costs.

185. Granting such other and further relief as the Court may deem just and proper.

**DEMAND FOR A JURY TRIAL**

186. In accordance with Federal Rule of Civil Procedure 38, Plaintiff hereby demands a trial by jury on all issues so triable.

Dated: April 29, 2025

Respectfully submitted,

By: /s/ Jason Evans

Jason Evans (P61567)

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